the lockbolt devices herein licensed are shipped and to include in all Townsend advertisements and standard drawings relating thereto similar notices; such notices to include the legend "Licensed under the following Huck Patents:", to be followed by a list of the aforesaid patents and other patents as they issue and become a part of this license.

20. The pendency of litigation on any patents that are or may be included in this agreement shall in no wise affect this agreement, but in the event that any claim or claims of such patents shall be held invalid by a court of last resort or by a lower court from which no appeal or petition for writ of certiorari has been taken within the time permitted [fol. 1071] therefor, then Townsend, after five (5) years from such event or from the expiration of the time for appeal or writ of certiorari from said lower court, and no appeal or writ having been taken, shall thereafter be relieved from any and all obligations to pay royalties for or on account of any fastening devices which are covered only by the claim or claims so held to be invalid.

21. In the event that Huck decides to license the manufacture, use and sale of the products licensed herein in Canada, Huck agrees to notify Townsend first of such decision and give Townsend the first opportunity to negotiate for such license.

22. All provisions hereto are material to the contract and any breaches thereof shall be considered as material breaches.

Signed at Detroit in the County of Wayne and State of Michigan this 14 day of September 1954.

Huck Manufacturing Company, By A. W. Armour III Its President.

Attest: Alfred E. Benkert, Its Executive Vice President.

Signed at New Brighton in the County of Beaver and State of Pennsylvania this 10th day of September, 1954.

Townsend Company, By A. R. Dickenson, Its President.

Attest: H. E. Young, Its Ass't Secretary.

[fol. 1072] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

Government Exhibit No. 18

Criminal Action No. 39017

UNITED STATES OF AMERICA,

v.

HUCK MANUFACTURING COMPANY, TOWNSEND COMPANY, A. WATSON ARMOUR, III, FRED R. DICKENSON

STIPULATION OF TESTIMONY BY H. E. YOUNG

It is hereby stipulated by all parties to this action by their attorneys as follows:

If called to testify in this criminal action, Mr. H. E. Young, an employee of defendant Townsend Company, would state under oath—

(1) that the signature of H. E. Young appearing on page 8 of document bearing the title "Agreement" and identified by the symbol J-606 and bearing the dates September 14, 1954 and September 10, 1954 on the final page of that 8-page document is his signature as Assistant Secretary of Townsend Company bearing witness to the genuineness and authenticity of the signature made by F. R. Dickenson in his presence, which also appears on that page.

s/Charles R. Esherick, s/Jack L. Lipson, Attorneys, Department of Justice, Date: February 26, 1963. s/James E. Haggerty, s/Arthur W. Dickey, Attorneys, Huck Manufacturing Company and A. Watson Armour, III. Date:— s/Thomas Pomeroy, Jr., s/Samuel McCune, Attorneys, Townsend Company and Fred R. Dickenson. Date: February 26, 1963.

[fol. 1073] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 19

October 18, 1955

AGREEMENT

This Agreement, made at Detroit, Michigan, this 1st day of November, 1955, between Huck Manufacturing Company, a corporation of Michigan, having its principal place of business at 2480 Bellevue Avenue, Detroit, Michigan (hereinafter referred to as "Huck"), and Townsend Company, a corporation of Pennsylvania, having its principal place of business at the Borough of Fallston, Beaver County, Pennsylvania(hereinafter referred to as "Townsend");

WITNESSETH:

Whereas, Huck is engaged in the manufacture and sale of certain fastening devices (such devices being known and defined as Huck lockbolt stumps, Huck lockbolt stump collars, Huck lockbolt shear stumps and Huck lockbolt shear collars) disclosed and identified by way of examples and not by way of limitation as Exhibits A, B, C, D and E attached hereto, which shall hereinafter be referred to as "licensed products", and is in possession of certain valuable information, called "know-how", relating to the manufacture and use of said licensed products, and expects in the future to come into possession of further such information;

Whereas, Huck is the owner of application for United States Letters Patent of Roy C. Scheuring, Serial No. 378,897, filed September 8, 1953, for Lockbolt Collar; and [fol. 1074] Whereas, Townsend desires a license to manufacture and sell such licensed products and obtain from Huck its "know-how" relating to the manufacture and use of such licensed products, and Huck is desirous of licensing Townsend for the manufacture and sale of such licensed products; and

NOTE: Sept date typewritten at top of page.
Sept. 14 written in on page 1.

Whereas, Huck and Townsend have entered into another agreement dated September 3, 1954, relating to lockbolts (hereinafter referred to as "Lockbolt License");

Now, therefore, in consideration of the mutual covenants and agreements hereinafter contained, it is agreed by and between the parties as follows:

1. Huck hereby grants to Townsend a non-exclusive right and license under the aforesaid application for United States Letters Patent and under any Letters Patent issuing thereon, including Letters Patent and applications for Letters Patent on improvements on said licensed products and substitutes therefor of the same type of licensed products, to manufacture, use and sell licensed products covered by the claim in any Letters Patent that may issue on said application for Letters Patent, including any renewals, continuations, divisions, substitutes, reissues or extensions thereof.

2. Huck shall, so soon after the date of this agreement as Townsend may reasonably require, supply to Townsend, but at no expense to Huck, specifications, working and other drawings and other information that may be reasonably necessary to enable Townsend to manufacture said licensed products.

[fol. 1075] 3. Huck and Townsend agree to exchange information with respect to improvements that each may make in the licensed products, and with respect to improved techniques in the manufacture and use of said licensed products.

4. All information supplied Townsend by or on behalf of Huck under or pursuant to this agreement shall be treated as confidential by Townsend, and shall be used solely to enable Townsend to manufacture and sell licensed products in accordance with this agreement and during the continuance thereof.

5. Townsend shall insure that no such information as aforesaid is disclosed except to responsible employees of itself without the express prior consent of Huck.

6. As consideration for the information supplied and to be supplied, and for the assistance given and to be given by Huck, and for the license granted and to be granted under the aforesaid application for Letters Patent and under any Letters Patent obtained by Huck in respect of improvements, Townsend agrees to pay to Huck a royalty of Five Percent (5%) on the net selling price of all licensed products manufactured and sold.

Royalty (payment on page 4).

by Townsend, either covered by the Letters Patent licensed herein or in respect of such licensed products in whose design or manufacture substantial use is made of any designs or information supplied by or on behalf of Huck hereunder. By "net selling price" the parties hereto mean the net selling price of licensed products charged by Townsend, less all discount allowed and taken.

[fol. 1076] 7. Townsend shall keep proper books of account showing sales of licensed products subject to royalty under this agreement, and agrees to report to Huck by the twentieth of each month the licensed products sold by it during the preceding month, giving in such report the dollar amount sold during the month being reported. Licensed products shall be considered sold when billed out or, if not billed out, when delivered or paid for before delivery. In computing sales of licensed products, credit shall be given for returned licensed products, and licensed products which are given out as samples without charge to the customer shall not be subject to royalty.

8. Within twenty (20) days following the last day of February, May, August and November, Townsend will submit a written statement giving the total sales of licensed products subject to royalty under this agreement for the quarter being reported, and accompany such quarterly report with payment of the royalty then due.

Payment of royalty.

9. Huck shall have access to the books and records of Townsend at all reasonable times to check the amount of sales of licensed products made hereunder by Townsend from time to time, provided, however, that Townsend may, at its election, substitute for its examination a certificate of a mutually agreed upon firm of certified public accountants as to the amount of said sales and as to any other figures that will determine the amount of royalties payable thereon. Huck will not require an examination or such certified statement more often than once a year.

[fol. 1077] 10. In the event that Townsend fails to comply with the terms of reports and royalty payment specified herein, and so often as the same shall happen, or breaches any other material provisions of this agreement, Huck may, at its option, by giving sixty (60) days' notice in writing, specifying the breach complained of, terminate this agreement and the license granted hereby, provided, however,

that if the breach complained of shall be corrected by Townsend within thirty (30) days after the mailing of said notice, then this agreement shall remain in full force and effect.

11. Townsend hereby grants to Huck a nonexclusive, royalty-free license, with the right to sublicense on any improvements on said licensed products made or acquired by Townsend during the life of this agreement coming within the claims of the licensed patent, or products of the same type which are substitutes for the licensed products licensed herein by Huck.

12. For licensed products sold by Townsend as Huck equals, Townsend agrees to maintain Huck's quality for full equivalence in shear, tension and fatigue, for aircraft shear and tension allowables as defined or as may be defined by ANC5 Manual and for commercial licensed products typical strength properties defined in Huck-published commercial lockbolt engineering bulletins, which Huck agrees to supply to Townsend.

13. Townsend agrees to suitably identify the licensed products as manufactured and sold by it to distinguish from the licensed products manufactured and sold by Huck, the manner of so distinguishing the licensed products to be mutually determined hereinafter.

[fol. 1078] 14. Notice as herein provided shall mean the placing of the written notice in the mails, registered-return, postage prepaid, to the party being notified at the address above given, or at such other address designated by the parties hereto, or by otherwise delivering to the other party such notice.

15. The license herein granted is nontransferable without the written consent of Huck first had and obtained, except to the successors of the entire fastener business of Townsend, and this agreement shall be binding upon, and inure to the benefit of, any such transferee of Townsend and the successors and assigns of Huck.

Term of Agreement

16. Unless previously terminated in accordance with the terms hereof, this agreement and the license herein granted shall extend for the full term of said Lockbolt License and shall terminate upon termination of said Lockbolt License.

17. Townsend agrees to properly affix the necessary statutory patent notices to all of the containers within

which the licensed products herein licensed are shipped and to include in all Townsend advertisements and standard drawings relating thereto similar notices; such notices to include the legend "Licensed under the following Huck Patents:", to be followed by a list of any patents as they issue and become a part of this license.

18. The pendency of litigation on any patents that may be included in this agreement shall in no wise affect this agreement, but in the event that any claim or claims of such patents shall be held invalid by a court of last resort or by a lower court from which no appeal or petition for writ of certiorari has been taken within the time permitted therefor, then Townsend, after five (5) years from such [fol. 1079] event or from the expiration of the time for appeal or writ of certiorari from said lower court, and no appeal or writ having been taken, shall thereafter be relieved from any and all obligations to pay royalties for or on account of any fastening devices which are covered only by the claim or claims so held to be invalid.

19. In the event that Huck decides to license the manufacture, use and sale of the licensed products in Canada, Huck agrees to notify Townsend first of such decision and give Townsend the first opportunity to negotiate for such license.

Signed at Detroit in the County of Wayne and State of Michigan this 1st day of November 1955.

Huck Manufacturing Company, By A. W. Armour III, Its President.

[SEAL] Attest: Louis B. Fielder, Its Asst. Secretary.

Signed at Fallston in the County of Beaver and State of Penna this 26 day of October, 1955.

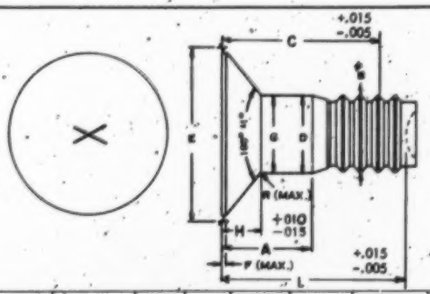
Townsend Company, By F. R. Dickenson Its —.

[SEAL] Attest: D. C. Fabiani, Its Secretary.

Huck MANUFACTURING COMPANY

G DIAMETER PERMISSIBLE FOR K LENGTH UNDER HEAD.

ALLOWABLE SEAM DEPTH, HEAD CONCENTRICITY AND HEAD DISCONTINUITIES PER SPECIFICATION MIL-S-7839



DIA.	B	D	E	MAX. T	G	H-Ref.	K	L(Alum) SEE NOTE 3	L(Steel) SEE NOTE 3	MAX. R
3/16"	.175/.1845	.187/.190	.371/.385	.018	.193	.080	3/64"	.261	.248	.015
1/4"	.231/.2415	.246/.249	.491/.507	.018	.252	.106	1/16"	.331	.331	.020
5/16"	.293/.3045	.309/.312	.617/.635	.020	.316	.133	5/64"	.414	.414	.025
3/8"	.354/.3675	.371/.374	.742/.762	.023	.378	.159	3/32"	.510	.510	.030

. INACTIVE FOR NEW DESIGN
Superceded by ASCT509

3/16" DIA.					1/4" DIA.					5/16" DIA.					3/8" DIA.				
PART NO.	Grip Range MIN.	Grip Range MAX.	A	C SEE NOTE (2)	PART NO.	Grip Range MIN.	Grip Range MAX.	A	C	PART NO.	Grip Range MIN.	Grip Range MAX.	A	C	PART NO.	Grip Range MIN.	Grip Range MAX.	A	C
★					★					★					★				
ALS509-T6- 2	.094	.156	.125	.305	ALS509-T8- 2	.094	.156	.125	.366	ALS509-T10- 3	.156	.219	.187	.489	ALS509-T12- 3	.156	.219	.187	.556
ALS509-T6- 3	.156	.219	.187	.367	ALS509-T8- 3	.156	.219	.187	.428	ALS509-T10- 4	.219	.281	.250	.551	ALS509-T12- 4	.219	.281	.250	.619
ALS509-T6- 4	.219	.281	.250	.430	ALS509-T8- 4	.219	.281	.250	.491	ALS509-T10- 5	.281	.344	.312	.614	ALS509-T12- 5	.281	.344	.312	.681
ALS509-T6- 5	.281	.344	.312	.492	ALS509-T8- 5	.281	.344	.312	.553	ALS509-T10- 6	.344	.406	.375	.676	ALS509-T12- 6	.344	.406	.375	.744
ALS509-T6- 6	.344	.406	.375	.555	ALS509-T8- 6	.344	.406	.375	.616	ALS509-T10- 7	.406	.469	.437	.739	ALS509-T12- 7	.406	.469	.437	.806
ALS509-T6- 7	.406	.469	.437	.617	ALS509-T8- 7	.406	.469	.437	.678	ALS509-T10- 8	.469	.531	.500	.801	ALS509-T12- 8	.469	.531	.500	.869
ALS509-T6- 8	.469	.531	.500	.680	ALS509-T8- 8	.469	.531	.500	.741	ALS509-T10- 9	.531	.594	.562	.864	ALS509-T12- 9	.531	.594	.562	.931
ALS509-T6- 9	.531	.594	.562	.742	ALS509-T8- 9	.531	.594	.562	.803	ALS509-T10-10	.594	.656	.625	.926	ALS509-T12-10	.594	.656	.625	.994
ALS509-T6-10	.594	.656	.625	.805	ALS509-T8-10	.594	.656	.625	.866	ALS509-T10-11	.656	.718	.687	.989	ALS509-T12-11	.656	.718	.687	1.056
ALS509-T6-11	.656	.718	.687	.867	ALS509-T8-11	.656	.718	.687	.928	ALS509-T10-12	.718	.781	.750	1.051	ALS509-T12-12	.718	.781	.750	1.119
ALS509-T6-12	.718	.781	.750	.930	ALS509-T8-12	.718	.781	.750	.991	ALS509-T10-13	.781	.843	.812	1.114	ALS509-T12-13	.781	.843	.812	1.181
ALS509-T6-13	.781	.843	.812	.992	ALS509-T8-13	.781	.843	.812	1.053	ALS509-T10-14	.843	.906	.875	1.176	ALS509-T12-14	.843	.906	.875	1.244
ALS509-T6-14	.843	.906	.875	1.055	ALS509-T8-14	.843	.906	.875	1.116	ALS509-T10-15	.906	.968	.937	1.239	ALS509-T12-15	.906	.968	.937	1.306
ALS509-T6-15	.906	.968	.937	1.117	ALS509-T8-15	.906	.968	.937	1.178	ALS509-T10-16	.968	1.031	1.000	1.301	ALS509-T12-16	.968	1.031	1.000	1.369
ALS509-T6-16	.968	1.031	1.000	1.180	ALS509-T8-16	.968	1.031	1.000	1.241	ALS509-T10-17	1.031	1.094	1.062	1.364	ALS509-T12-17	1.031	1.094	1.062	1.431
ALS509-T6-17	1.031	1.094	1.062	1.242	ALS509-T8-17	1.031	1.094	1.062	1.303	ALS509-T10-18	1.094	1.156	1.125	1.426	ALS509-T12-18	1.094	1.156	1.125	1.494
ALS509-T6-18	1.094	1.156	1.125	1.305	ALS509-T8-18	1.094	1.156	1.125	1.366	ALS509-T10-19	1.156	1.219	1.187	1.489	ALS509-T12-19	1.156	1.219	1.187	1.556
ALS509-T6-19	1.156	1.219	1.187	1.367	ALS509-T8-19	1.156	1.219	1.187	1.428	ALS509-T10-20	1.219	1.281	1.260	1.551	ALS509-T12-20	1.219	1.281	1.260	1.619
ALS509-T6-20	1.219	1.281	1.260	1.430	ALS509-T8-20	1.219	1.281	1.260	1.491	ALS509-T10-21	1.281	1.343	1.312	1.614	ALS509-T12-21	1.281	1.343	1.312	1.681
ALS509-T6-21	1.281	1.343	1.312	1.492	ALS509-T8-21	1.281	1.343	1.312	1.553	ALS509-T10-22	1.343	1.406	1.375	1.676	ALS509-T12-22	1.343	1.406	1.375	1.744
ALS509-T6-22	1.343	1.406	1.375	1.555	ALS509-T8-22	1.343	1.406	1.375	1.616	ALS509-T10-23	1.406	1.469	1.437	1.739	ALS509-T12-23	1.406	1.469	1.437	1.806
ALS509-T6-23	1.406	1.469	1.437	1.617	ALS509-T8-23	1.406	1.469	1.437	1.678	ALS509-T10-24	1.469	1.531	1.500	1.801	ALS509-T12-24	1.469	1.531	1.500	1.869
ALS509-T6-24	1.469	1.531	1.500	1.680	ALS509-T8-24	1.469	1.531	1.500	1.741	ALS509-T10-25	1.531	1.594	1.562	1.864	ALS509-T12-25	1.531	1.594	1.562	1.931
ALS509-T6-25	1.531	1.594	1.562	1.742	ALS509-T8-25	1.531	1.594	1.562	1.803	ALS509-T10-26	1.594	1.656	1.625	1.926	ALS509-T12-26	1.594	1.656	1.625	1.994
ALS509-T6-26	1.594	1.656	1.625	1.805	ALS509-T8-26	1.594	1.656	1.625	1.866	ALS509-T10-27	1.656	1.718	1.687	1.989	ALS509-T12-27	1.656	1.718	1.687	2.056
ALS509-T6-27	1.656	1.718	1.687	1.867	ALS509-T8-27	1.656	1.718	1.687	1.928	ALS509-T10-28	1.718	1.781	1.750	2.051	ALS509-T12-28	1.718	1.781	1.750	2.119
ALS509-T6-28	1.718	1.781	1.750	1.930	ALS509-T8-28	1.718	1.781	1.750	1.991	ALS509-T10-29	1.781	1.843	1.812	2.114	ALS509-T12-29	1.781	1.843	1.812	2.181
ALS509-T6-29	1.781	1.843	1.812	1.992	ALS509-T8-29	1.781	1.843	1.812	2.053	ALS509-T10-30	1.843	1.906	1.875	2.176	ALS509-T12-30	1.843	1.906	1.875	2.244
ALS509-T6-30	1.843	1.906	1.875	2.055	ALS509-T8-30	1.843	1.906	1.875	2.116	ALS509-T10-31	1.906	1.968	1.937	2.239	ALS509-T12-31	1.906	1.968	1.937	2.306
										ALS509-T10-32	1.968	2.031	2.000	2.301	ALS509-T12-32	1.968	2.031	2.000	2.369
										ALS509-T10-33	2.031	2.094	2.062	2.364	ALS509-T12-33	2.031	2.094	2.062	2.431

★"T"=Alloy Steel. Substitute "E" for 75S-T6 Aluminum Alloy Stump Material. (New Aluminum Designation: 7075-T6)

PART NUMBER EXPLANATION:

ALS509-T6-1 (T) Designates heat treated alloy steel per specification AN-S-9 (AISI-4037)

HEAT TREATMENT - Carbon recovery - quench and draw - Huck Specification 101.

FINISH - Cadmium Plate - QQ-P-416 Type I, Class C.

IDENTIFICATION - Raised or depressed X on top of head.

ALS509-E6-1 (E) Designates 75S-T6 Aluminum Alloy - QQ-A-282 (New Alum. Desig; 7075-T6).

HEAT TREATMENT - MIL-H-6088 (60 Min. at 910° - 925°F; quench in cold water, age 3 hrs. at 250°F & 3 hrs. at 325°F.)

FINISH - Anodize per AN-QQ-A-696 or chemical surface treatment per MIL-C-5541.

IDENTIFICATION - 3 raised dots © on top of head.

COLLARS: Recommended Collar Part Numbers:

Stump	Collar		Stump	Collar
ALS509-T6	LC-C6		ALS509-T12	LC-C12
ALS509-T8	LC-C8		ALS509-E6	LC-F6
ALS509-T6	LC-R6	High	ALS509-E8	LC-F8
ALS509-T8	LC-R8	Temp.	ALS509-E10	LC-F10
ALS509-T10	LC-C10		ALS509-E12	LC-F12

STRENGTH: See ANC-5 Manual for allowables.

Longer grips than shown are available special.

TOOLS: Huckbolt Stumps are installed with standard air hammers or squeezers. Recommended hammer size tabulated below:

Stump	Hammer **	Stump	Hammer
ALS509-T6	CP5X★★	ALS509-E6	CP3X★★
ALS509-T8	CP7X★★	ALS509-E8	CP5X★★
ALS509-T10	IR36C★★	ALS509-E10	CP7X★★
ALS509-T12	IR36C★★	ALS509-E12	IR36C★★

★★- or equivalent size tool.

Write to Huck Mfg. Co. for Swaging Set sources

HOLE PREPARATION:

DIA.	For Interference Fit Pre-Drill	Size Drill	Limits	For Clearance Fit Drill	Limits
3/16"	#18 (.1695)	#13 (.185)	.185/.188	#11 (.191)	.191/.201
1/4"	#1 (.228)	6.2mm (.2441)	.244/.247	1/4"	.250/.260
5/16"	"L" (.290)	7.8mm (.3071)	.307/.310	5/16"	.3125/.322
3/8"	11/32 (.343)	"U" (.368)	.369/.372	3/8"	.375/.385

NOTES:
(1) To install Huckbolt Stumps Hole Filling, prepare holes per above chart and drive the stump into the hole with an air hammer. The collar may then be driven.
(2) "C" dimension for 3/16" alum is as shown + .013.
(3) Dimension L is dimension A plus values shown under 'L' for grips and diametefs listed.

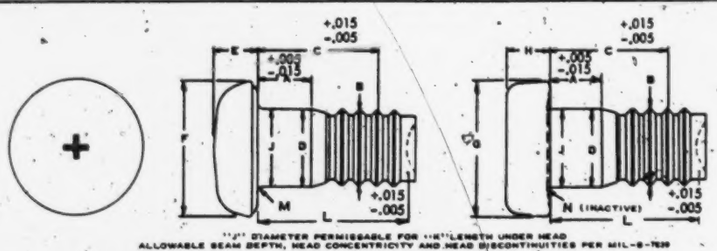
Huck MANUFACTURING CO.
2480 BELLEVUE AVENUE
DETROIT 7, MICHIGAN

AIRCRAFT HUCKBOLT* STUMP
AN-509 SCREW HEAD TYPE
*THE ORIGINAL LOCKBOLT

ALS509

FORM 9-182 11-15-54. PRINTED IN U.S.A.

Huck MANUFACTURING COMPANY



"J" DIAMETER PERMISSABLE FOR "L" LENGTH UNDER HEAD ALLOWABLE SEAM DEPTH, HEAD CONCENTRICITY AND HEAD DISCONTINUITIES PER MIL-S-7520

NOTE: Inactive type Flat Head will be supplied until stock is exhausted.

DIA.	B	D	E STEEL	E ALUM.	F	G	H STEEL	H ALUM.	J	K	L (Alum) SEE NOTE (3)	L (Steel) SEE NOTE (3)	M	N
3/16"	.175/.1845	.187/.190	.078/.088	.078/.088	.302/.317	.302/.316	.076/.086	.076/.086	.193	3/64	.261	.248	.010/.025	.007/.012
1/4"	.231/.2415	.246/.249	.103/.113	.1037.113	.396/.411	.396/.414	.101/.111	.101/.111	.252	1/16	.331	.331	.010/.025	.009/.014
5/16"	.293/.3045	.309/.312	.130/.140	.142/.152	.500/.515	.500/.520	.128/.140	.140/.152	.316	5/64	.414	.414	.010/.025	.009/.016
3/8"	.354/.3675	.371/.374	.157/.167	.171/.181	.613/.628	.613/.637	.154/.166	.166/.182	.378	3/32	.510	.510	.015/.030	.009/.019

3/16" DIA.					1/4" DIA.					5/16" DIA.					3/8" DIA.				
PART NO. ★	Grip Range MIN.	Grip Range MAX.	A	C SEE NOTE (4)	PART NO. ★	Grip Range MIN.	Grip Range MAX.	A	C	PART NO. ★	Grip Range MIN.	Grip Range MAX.	A	C	PART NO. ★	Grip Range MIN.	Grip Range MAX.	A	C
ALSF-T6- 1	.031	.094	.062	.242															
ALSF-T6- 2	.094	.156	.125	.305	ALSF-T8- 2	.094	.156	.125	.366	ALSF-T10- 2	.094	.156	.125	.426	ALSF-T12- 2	.094	.156	.125	.494
ALSF-T6- 3	.156	.219	.187	.367	ALSF-T8- 3	.156	.219	.187	.428	ALSF-T10- 3	.156	.219	.187	.489	ALSF-T12- 3	.156	.219	.187	.556
ALSF-T6- 4	.219	.281	.250	.430	ALSF-T8- 4	.219	.281	.250	.491	ALSF-T10- 4	.219	.281	.250	.551	ALSF-T12- 4	.219	.281	.250	.619
ALSF-T6- 5	.281	.344	.312	.492	ALSF-T8- 5	.281	.344	.312	.553	ALSF-T10- 5	.281	.344	.312	.614	ALSF-T12- 5	.281	.344	.312	.681
ALSF-T6- 6	.344	.406	.375	.555	ALSF-T8- 6	.344	.406	.375	.616	ALSF-T10- 6	.344	.406	.375	.676	ALSF-T12- 6	.344	.406	.375	.744
ALSF-T6- 7	.406	.469	.437	.617	ALSF-T8- 7	.406	.469	.437	.678	ALSF-T10- 7	.406	.469	.437	.739	ALSF-T12- 7	.406	.469	.437	.806
ALSF-T6- 8	.469	.531	.500	.680	ALSF-T8- 8	.469	.531	.500	.741	ALSF-T10- 8	.469	.531	.500	.801	ALSF-T12- 8	.469	.531	.500	.869
ALSF-T6- 9	.531	.594	.562	.742	ALSF-T8- 9	.531	.594	.562	.803	ALSF-T10- 9	.531	.594	.562	.864	ALSF-T12- 9	.531	.594	.562	.931
ALSF-T6-10	.594	.656	.625	.805	ALSF-T8-10	.594	.656	.625	.866	ALSF-T10-10	.594	.656	.625	.926	ALSF-T12-10	.594	.656	.625	.994
ALSF-T6-11	.656	.718	.687	.867	ALSF-T8-11	.656	.718	.687	.928	ALSF-T10-11	.656	.718	.687	.989	ALSF-T12-11	.656	.718	.687	1.058
ALSF-T6-12	.718	.781	.750	.930	ALSF-T8-12	.718	.781	.750	.991	ALSF-T10-12	.718	.781	.750	1.051	ALSF-T12-12	.718	.781	.750	1.119
ALSF-T6-13	.781	.843	.812	.992	ALSF-T8-13	.781	.843	.812	1.053	ALSF-T10-13	.781	.843	.812	1.114	ALSF-T12-13	.781	.843	.812	1.181
ALSF-T6-14	.843	.906	.875	1.055	ALSF-T8-14	.843	.906	.875	1.116	ALSF-T10-14	.843	.906	.875	1.176	ALSF-T12-14	.843	.906	.875	1.244
ALSF-T6-15	.906	.968	.937	1.117	ALSF-T8-15	.906	.968	.937	1.178	ALSF-T10-15	.906	.968	.937	1.239	ALSF-T12-15	.906	.968	.937	1.306
ALSF-T6-16	.968	1.031	1.000	1.180	ALSF-T8-16	.968	1.031	1.000	1.241	ALSF-T10-16	.968	1.031	1.000	1.301	ALSF-T12-16	.968	1.031	1.000	1.369
ALSF-T6-17	1.031	1.094	1.062	1.242	ALSF-T8-17	1.031	1.094	1.062	1.303	ALSF-T10-17	1.031	1.094	1.062	1.364	ALSF-T12-17	1.031	1.094	1.062	1.431
ALSF-T6-18	1.094	1.156	1.125	1.305	ALSF-T8-18	1.094	1.156	1.125	1.366	ALSF-T10-18	1.094	1.156	1.125	1.426	ALSF-T12-18	1.094	1.156	1.125	1.494
ALSF-T6-19	1.156	1.219	1.187	1.367	ALSF-T8-19	1.156	1.219	1.187	1.428	ALSF-T10-19	1.156	1.219	1.187	1.489	ALSF-T12-19	1.156	1.219	1.187	1.556
ALSF-T6-20	1.219	1.281	1.260	1.430	ALSF-T8-20	1.219	1.281	1.260	1.491	ALSF-T10-20	1.219	1.281	1.260	1.551	ALSF-T12-20	1.219	1.281	1.260	1.619
ALSF-T6-21	1.281	1.343	1.312	1.492	ALSF-T8-21	1.281	1.343	1.312	1.553	ALSF-T10-21	1.281	1.343	1.312	1.614	ALSF-T12-21	1.281	1.343	1.312	1.681
ALSF-T6-22	1.343	1.406	1.375	1.555	ALSF-T8-22	1.343	1.406	1.375	1.616	ALSF-T10-22	1.343	1.406	1.375	1.676	ALSF-T12-22	1.343	1.406	1.375	1.744
ALSF-T6-23	1.406	1.469	1.437	1.617	ALSF-T8-23	1.406	1.469	1.437	1.678	ALSF-T10-23	1.406	1.469	1.437	1.739	ALSF-T12-23	1.406	1.469	1.437	1.806
ALSF-T6-24	1.469	1.531	1.500	1.680	ALSF-T8-24	1.469	1.531	1.500	1.741	ALSF-T10-24	1.469	1.531	1.500	1.801	ALSF-T12-24	1.469	1.531	1.500	1.869
ALSF-T6-25	1.531	1.594	1.562	1.742	ALSF-T8-25	1.531	1.594	1.562	1.803	ALSF-T10-25	1.531	1.594	1.562	1.864	ALSF-T12-25	1.531	1.594	1.562	1.931
ALSF-T6-26	1.594	1.656	1.625	1.805	ALSF-T8-26	1.564	1.656	1.625	1.866	ALSF-T10-26	1.594	1.656	1.625	1.926	ALSF-T12-26	1.594	1.656	1.625	1.994
ALSF-T6-27	1.656	1.718	1.687	1.867	ALSF-T8-27	1.656	1.718	1.687	1.928	ALSF-T10-27	1.656	1.718	1.687	1.989	ALSF-T12-27	1.656	1.718	1.687	2.056
ALSF-T6-28	1.718	1.781	1.750	1.930	ALSF-T8-28	1.718	1.781	1.750	1.991	ALSF-T10-28	1.718	1.781	1.750	2.051	ALSF-T12-28	1.718	1.781	1.750	2.119
ALSF-T6-29	1.781	1.843	1.812	1.992	ALSF-T8-29	1.781	1.843	1.812	2.053	ALSF-T10-29	1.781	1.843	1.812	2.114	ALSF-T12-29	1.781	1.843	1.812	2.181
ALSF-T6-30	1.843	1.906	1.875	2.055	ALSF-T8-30	1.843	1.906	1.875	2.116	ALSF-T10-30	1.843	1.906	1.875	2.176	ALSF-T12-30	1.843	1.906	1.875	2.244
										ALSF-T10-31	1.906	1.968	1.937	2.239	ALSF-T12-31	1.906	1.968	1.937	2.306
										ALSF-T10-32	1.968	2.031	2.000	2.301	ALSF-T12-32	1.968	2.031	2.000	2.369
										ALSF-T10-33	2.031	2.094	2.062	2.364	ALSF-T12-33	2.031	2.094	2.062	2.431

★"T"= Alloy Steel. Substitute "E" for 75S-T6 Aluminum Alloy Stump Material.

PART NUMBER EXPLANATION:

ALSF-T6-1 (T) Designates heat treated alloy steel per specification AN-S-9 (A181 4037)

HEAT TREATMENT - Carbon recovery - quench and draw - (Huck Specification 101).

FINISH - Cadmium Plate - QQ-P-416 Type 1, Class C.

IDENTIFICATION - Depressed+ on top of head.

ALSF-E6-1 (E) Designates 75S-T6 Aluminum Alloy QQ-A-282

HEAT TREATMENT - MIL-H-6088 (60 Min. at 910° - 925°F. quench in cold water, age 3 hours at 250°F. & 3 hours at 325°F)

FINISH - Anodize per AN-QQ-A-696 or chemical surface treatment per MIL-C-5541.

IDENTIFICATION - None

COLLARS: Recommended Collar Part Numbers:

Stump	Collar		Stump	Collar
ALSF-T6	LC-C6		ALSF-T12	LC-C12
ALSF-T8	LC-C8		ALSF-E6	LC-F6
ALSF-T6	LC-R6	High	ALSF-E8	LC-F8
ALSF-T8	LC-R8	Temp.	ALSF-E10	LC-F10
ALSF-T10	LC-C10		ALSF-E12	LC-F12

STRENGTH: See ANC-5 Manual for allowables:

LONGER GRIPS THAN SHOWN ABOVE ARE AVAILABLE SPECIAL.

TOOLS: Huckbolt Stumps are installed with standard air hammers or squeezers. Recommended hammer size tabulated below:

Stump	Hammer	Stump	Hammer
ALSF-T6	CP5X ★★	ALSF-E6	CP3X ★★
ALSF-T8	CP7X ★★	ALSF-E8	CP5X ★★
ALSF-T10	IR36C ★★	ALSF-E10	CP7X ★★
ALSF-T12	IR36C ★★	ALSF-E12	IR36 ★★

★★- or equivalent size tool

Write to Huck Mfg. Co. for Swaging Set Sources

HOLE PREPARATIONS:

DIA.	For Interence Fit			For Clearance Fit	
	Pre Drill	Size Drill	Limits	Drill	Limits
3/16"	#18 (.1695)	#13 (.185)	.185/.188	#11(.191)	.191/.201
1/4"	#1 (.228)	6.2mm(.2441)	.244/.247	1/4"	.250/.260
5/16"	"L" (.290)	7.8mm(.3071)	.307/.310	5/16"	.3125/.322
3/8"	11/32(.343)	"U" (.368)	.369/.372	3/8"	.375/.385

NOTES: (1) To install Huckbolt Stumps Hole Filling, prepare holes per above chart and drive the stump into the hole with an air hammer. The collar may then be driven.

(2) The Huckbolt Stump manufactured head must be installed on a surface perpendicular with the axis of the hole. Spot face for other conditions.

(3) Dimension L is dimension A plus values shown under L for grips and diameters listed.

(4) "C" Dimension for 3/16" Alum. is as shown plus .013".

Huck MANUFACTURING CO.
2480 BELLEVUE AVENUE
DETROIT 7, MICHIGAN

AIRCRAFT HUCKBOLT* STUMP FLAT HEAD

*THE ORIGINAL LOCKBOLT

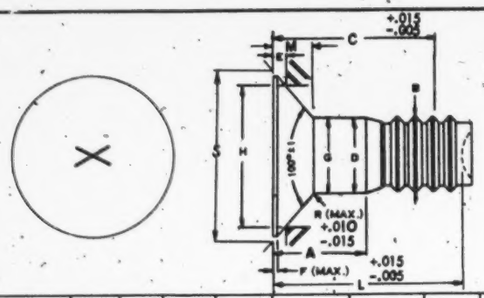
ALSF

FORM 8-181 5-10-54 LITHO IN U.S.A. C&B

Huck MANUFACTURING COMPANY

G DIAMETER PERMISSIBLE FOR K LENGTH UNDER HEAD.

ALLOWABLE SEAM DEPTH, HEAD CONCENTRICITY AND HEAD DISCONTINUITIES PER SPECIFICATION MIL-S-7839.



DIA.	B	D	E	MAX. F	G	H	K	L(Alum) SEE NOTE 2	L(Steel) SEE NOTE 2	MAX. M REF.	MAX. R	MAX. S REF.
3/16"	.177/.1845	.187/.190	.0205/.0243	.013	.193	.3270	3/64"	.261	.248	.0842	.015	.3862
1/4"	.233/.2415	.246/.249	.0270/.0310	.017	.252	.4318	1/16"	.331	.331	.1104	.020	.5074
5/16"	.293/.3045	.309/.312	.0325/.0367	.020	.316	.5449	5/64"	.414	.414	.1375	.025	.6343
3/8"	.354/.3675	.371/.374	.0380/.0428	.023	.378	.6580	3/32"	.510	.510	.1654	.030	.7622

3/16" DIA.					1/4" DIA.					5/16" DIA.					3/8" DIA.				
PART NO.	Grip Range MIN.	Grip Range MAX.	A	C SEE NOTE (1)	PART NO.	Grip Range MIN.	Grip Range MAX.	A	C	PART NO.	Grip Range MIN.	Grip Range MAX.	A	C	PART NO.	Grip Range MIN.	Grip Range MAX.	A	C
★					★					★					★				
ASCT509-T6- 2	.094	.156	.125	.305	ASCT509-T8- 2	.094	.156	.125	.366	ASCT509-T10- 3	.156	.219	.187	.489	ASCT509-T12- 3	.156	.219	.187	.556
ASCT509-T6- 3	.156	.219	.187	.367	ASCT509-T8- 3	.156	.219	.187	.428	ASCT509-T10- 4	.219	.281	.250	.551	ASCT509-T12- 4	.219	.281	.250	.619
ASCT509-T6- 4	.219	.281	.250	.430	ASCT509-T8- 4	.219	.281	.250	.491	ASCT509-T10- 5	.281	.344	.312	.614	ASCT509-T12- 5	.281	.344	.312	.681
ASCT509-T6- 5	.281	.344	.312	.492	ASCT509-T8- 5	.281	.344	.312	.553	ASCT509-T10- 6	.344	.406	.375	.676	ASCT509-T12- 6	.344	.406	.375	.744
ASCT509-T6- 6	.344	.406	.375	.555	ASCT509-T8- 6	.344	.406	.375	.616	ASCT509-T10- 7	.406	.469	.437	.739	ASCT509-T12- 7	.406	.469	.437	.806
ASCT509-T6- 7	.406	.469	.437	.617	ASCT509-T8- 7	.406	.469	.437	.678	ASCT509-T10- 8	.469	.531	.500	.801	ASCT509-T12- 8	.469	.531	.500	.869
ASCT509-T6- 8	.469	.531	.500	.680	ASCT509-T8- 8	.469	.531	.500	.741	ASCT509-T10- 9	.531	.594	.562	.864	ASCT509-T12- 9	.531	.594	.562	.931
ASCT509-T6- 9	.531	.594	.562	.742	ASCT509-T8- 9	.531	.594	.562	.803	ASCT509-T10-10	.594	.656	.625	.926	ASCT509-T12-10	.594	.656	.625	.994
ASCT509-T6-10	.594	.656	.625	.805	ASCT509-T8-10	.594	.656	.625	.866	ASCT509-T10-11	.656	.718	.687	.989	ASCT509-T12-11	.656	.718	.687	1.056
ASCT509-T6-11	.656	.718	.687	.867	ASCT509-T8-11	.656	.718	.687	.928	ASCT509-T10-12	.718	.781	.750	1.051	ASCT509-T12-12	.718	.781	.750	1.119
ASCT509-T6-12	.718	.781	.750	.930	ASCT509-T8-12	.718	.781	.750	.991	ASCT509-T10-13	.781	.843	.812	1.114	ASCT509-T12-13	.781	.843	.812	1.181
ASCT509-T6-13	.781	.843	.812	.992	ASCT509-T8-13	.781	.843	.812	1.053	ASCT509-T10-14	.843	.906	.875	1.176	ASCT509-T12-14	.843	.906	.875	1.244
ASCT509-T6-14	.843	.906	.875	1.055	ASCT509-T8-14	.843	.906	.875	1.116	ASCT509-T10-15	.906	.968	.937	1.239	ASCT509-T12-15	.906	.968	.937	1.306
ASCT509-T6-15	.906	.968	.937	1.117	ASCT509-T8-15	.906	.968	.937	1.178	ASCT509-T10-16	.968	1.031	1.000	1.301	ASCT509-T12-16	.968	1.031	1.000	1.369
ASCT509-T6-16	.968	1.031	1.000	1.180	ASCT509-T8-16	.968	1.031	1.000	1.241	ASCT509-T10-17	1.031	1.094	1.062	1.364	ASCT509-T12-17	1.031	1.094	1.062	1.431
ASCT509-T6-17	1.031	1.094	1.062	1.242	ASCT509-T8-17	1.031	1.094	1.062	1.303	ASCT509-T10-18	1.094	1.156	1.125	1.426	ASCT509-T12-18	1.094	1.156	1.125	1.494
ASCT509-T6-18	1.094	1.156	1.125	1.305	ASCT509-T8-18	1.094	1.156	1.125	1.366	ASCT509-T10-19	1.156	1.219	1.187	1.489	ASCT509-T12-19	1.156	1.219	1.187	1.556
ASCT509-T6-19	1.156	1.219	1.187	1.367	ASCT509-T8-19	1.156	1.219	1.187	1.428	ASCT509-T10-20	1.219	1.281	1.260	1.551	ASCT509-T12-20	1.219	1.281	1.260	1.619
ASCT509-T6-20	1.219	1.281	1.260	1.430	ASCT509-T8-20	1.219	1.281	1.260	1.491	ASCT509-T10-21	1.281	1.343	1.312	1.614	ASCT509-T12-21	1.281	1.343	1.312	1.681
ASCT509-T6-21	1.281	1.343	1.312	1.492	ASCT509-T8-21	1.281	1.343	1.312	1.553	ASCT509-T10-22	1.343	1.406	1.375	1.676	ASCT509-T12-22	1.343	1.406	1.375	1.744
ASCT509-T6-22	1.343	1.406	1.375	1.555	ASCT509-T8-22	1.343	1.406	1.375	1.616	ASCT509-T10-23	1.406	1.469	1.437	1.739	ASCT509-T12-23	1.406	1.469	1.437	1.806
ASCT509-T6-23	1.406	1.469	1.437	1.617	ASCT509-T8-23	1.406	1.469	1.437	1.678	ASCT509-T10-24	1.469	1.531	1.500	1.801	ASCT509-T12-24	1.469	1.531	1.500	1.869
ASCT509-T6-24	1.469	1.531	1.500	1.680	ASCT509-T8-24	1.469	1.531	1.500	1.741	ASCT509-T10-25	1.531	1.594	1.562	1.864	ASCT509-T12-25	1.531	1.594	1.562	1.931
ASCT509-T6-25	1.531	1.594	1.562	1.742	ASCT509-T8-25	1.531	1.594	1.562	1.803	ASCT509-T10-26	1.594	1.656	1.625	1.926	ASCT509-T12-26	1.594	1.656	1.625	1.994
ASCT509-T6-26	1.594	1.656	1.625	1.805	ASCT509-T8-26	1.594	1.656	1.625	1.866	ASCT509-T10-27	1.656	1.718	1.687	1.989	ASCT509-T12-27	1.656	1.718	1.687	2.056
ASCT509-T6-27	1.656	1.718	1.687	1.867	ASCT509-T8-27	1.656	1.718	1.687	1.928	ASCT509-T10-28	1.718	1.781	1.750	2.051	ASCT509-T12-28	1.718	1.781	1.750	2.119
ASCT509-T6-28	1.718	1.781	1.750	1.930	ASCT509-T8-28	1.718	1.781	1.750	1.991	ASCT509-T10-29	1.781	1.843	1.812	2.114	ASCT509-T12-29	1.781	1.843	1.812	2.181
ASCT509-T6-29	1.781	1.843	1.812	1.992	ASCT509-T8-29	1.781	1.843	1.812	2.053	ASCT509-T10-30	1.843	1.906	1.875	2.176	ASCT509-T12-30	1.843	1.906	1.875	2.244
ASCT509-T6-30	1.843	1.906	1.875	2.055	ASCT509-T8-30	1.843	1.906	1.875	2.116	ASCT509-T10-31	1.906	1.968	1.937	2.239	ASCT509-T12-31	1.906	1.968	1.937	2.306
										ASCT509-T10-32	1.968	2.031	2.000	2.301	ASCT509-T12-32	1.968	2.031	2.000	2.369
										ASCT509-T10-33	2.031	2.094	2.062	2.364	ASCT509-T12-33	2.031	2.094	2.062	2.431

★"T"=Alloy Steel. Substitute "E" for 75S-T6 Aluminum Alloy Stump Material. (New Aluminum Designation: 7075-T6)

Longer Grips than shown above are available special.

PART NUMBER EXPLANATION:

ASCT509-T6-1 (T) Designates heat treated alloy steel per specification AN-S-9 (AISI-4037)
HEAT TREATMENT - Carbon recovery - quench and draw - Huck Specification 101
FINISH - Cadmium Plate. - QQ-P-416 Type 1, Class C.
IDENTIFICATION - Depressed "X" on top of head.

ASCT509-E6-1 (E) Designates 75S-T6 Aluminum Alloy AN-A-11. (New Alum. Desig.: 7075-T6)
HEAT TREATMENT - MIL-H-6088 (60 Min. at 910° - 925°F; quench in cold water, age 3 hours at 250°F & 3 hours at 325°F.)
FINISH - Anodize per AN-QQ-A-696 or chemical surface treatment per MIL-C-5541.
IDENTIFICATION - Depressed "V" on top of head.

COLLARS: Recommended Collar Part Numbers:

Stump	Collar	Stump	Collar
ASCT509-T6	LC-C6	ASCT509-T12	LC-C12
ASCT509-T8	LC-C8	ASCT509-E6	LC-F6
ASCT509-T6	LC-R6 High Temp.	ASCT509-E8	LC-F8
ASCT509-T8	LC-R8 High Temp.	ASCT509-E10	LC-F10
ASCT509-T10	LC-C10	ASCT509-E12	LC-F12

STRENGTH: See ANC-5 Manual for allowables.

TOOLS: Huckbolt Stumps are installed with standard air hammers or squeezers. Recommended hammer size tabulated below:

Stump	Hammer	Stump	Hammer
ASCT509-T6	CP5X★★	ASCT509-E6	CP3X★★
ASCT509-T8	CP7X★★	ASCT509-E8	CP5X★★
ASCT509-T10	IR36C★★	ASCT509-E10	CP7X★★
ASCT509-T12	IR 36C★★	ASCT509-E12	IR36C★★

★★-or equivalent size tool

Write to Huck Mfg. Co. for Swaging Set Sources

HOLE PREPARATION:

DIA.	For Interference Fit: Pre Drill	Size Drill	Limits	Clearance Fit: Drill	Limits
3/16"	#18 (.1695)	#13 (.185)	.185/.188	#11 (.191)	.191/.201
1/4"	#1 (.228)	6.2mm (.2441)	.244/.247	1/4"	.250/.260
5/16"	"L" (.290)	7.8mm (.3071)	.307/.310	5/16"	.3125/.322
3/8"	11/32" (.343)	"U" (.368)	.369/.372	3/8"	.375/.385

NOTES:
(1) To install Huckbolt Stumps Hole Filling, prepare holes per above chart and drive the stump into the hole with an air hammer. The collar may then be driven.
(2) "C" dimension for 3/16" alum is as shown + .013.
(3) Dimension L is dimension A plus values shown under L for grips and diameters listed.

Huck MANUFACTURING CO.
2480 BELLEVUE AVENUE
DETROIT, MICHIGAN

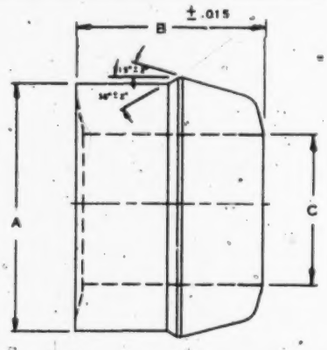
AIRCRAFT HUCKBOLT* STUMP
ACT-509 SCREW HEAD TYPE
(CLOSE TOLERANCE)
*THE ORIGINAL LOCKBOLT

ASCT509

FORM 8-184 11-15-54

LITHO IN U.S.A. C&B

Huck MANUFACTURING COMPANY



3/16" DIAMETER					
Part Number	Collar Material	A	B	C	Used with Huckbolt Mat'l.
LC-C6	24S-T4 Alum.	.304 / .311	.248	.187 / .193	Alloy Steel
LC-R6	Steel	.304 / .311	.248	.187 / .193	Alloy Steel (See Note 4)
LC-F6	61S-T6 Alum.	.304 / .311	.248	.193 / .199	24S-T Alum. 75S-T Alum.

1/4" DIAMETER					
Part Number	Collar Material	A	B	C	Used with Huckbolt Mat'l.
LC-C8	24S-T4 Alum.	.402 / .409	.320	.246 / .254	Alloy Steel
LC-R8	Steel	.402 / .409	.320	.259 / .265	Alloy Steel (See Note 4)
LC-F8	61S-T6 Alum.	.402 / .409	.320	.259 / .265	24S-T Alum. 75S-T Alum.

5/16" DIAMETER					
Part Number	Collar Material	A	B	C	Used with Huckbolt Mat'l.
LC-C10	24S-T4 Alum.	.498 / .507	.365	.304 / .312	Alloy Steel
LC-F10	61S-T6 Alum.	.498 / .507	.365	.304 / .312	24S-T Alum. 75S-T Alum.

3/8" DIAMETER					
Part Number	Collar Material	A	B	C	Used with Huckbolt Mat'l.
LC-C12	24S-T4 Alum.	.599 / .610	.494	.371 / .378	Alloy Steel
LC-F12	61S-T6 Alum.	.599 / .610	.445	.371 / .378	24S-T Alum. 75S-T Alum.

Part Number	Collar Material	Specifications
LC-C	24S-T4 Alum.	AN-QQ-W-298 Anodized per AN-QQ-A-696 Identification - Dyed Green
LC-R	Mild Steel (C1006)	Cadmium Plated per Specification QQ-P-416, Type 1, Class C.
LC-F	61S-T6 Alum.	QQ-A-325 Identification - Plain Gray

NOTES:

1. Collars are furnished lubricated. If collars are degreased for any reason re-lubricate with a solution of the following proportions:

   1.4 Pounds Paraffine
   .6 Pound Mutton Tallow
   1 Gallon Solvent (Tri-chlor-ethylene)

2. Collars may be driven with Huckbolts, on a surface not exceeding 7° from perpendicular with the axis of the hole or on curved surfaces with a minimum radius of curvature of three times pin diameter.

3. Huckbolt Collars should be ordered by part number corresponding to the diameter and material of Huckbolt used.

4. Steel Collars (LC-R) are recommended for use with Alloy Steel Huckbolts for high temperature applications.

Huck MANUFACTURING CO.
2480 BELLEVUE AVENUE
DETROIT 7, MICHIGAN

AIRCRAFT
HUCKBOLT COLLAR

LC

FORM 8-168 - 3-1-54

LITHO IN U.S.A. C68

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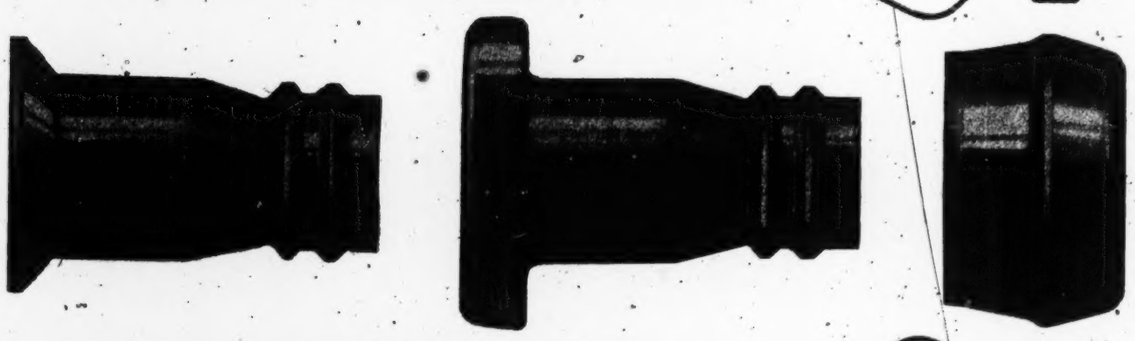
SLS

FEATHERWEIGHT

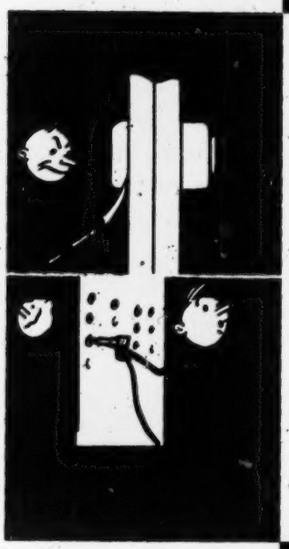
SHEAR
AIRCRAFT
HUCKBOLT
STUMP



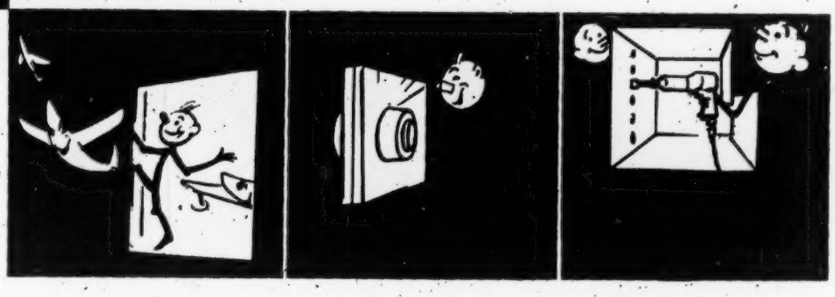
HUCK Manufacturing Company

2480 BELLEVUE AVE. • DETROIT 7, MICH.
PHONE WALNUT 1-6207

[fol. 1085]



OUTSTANDING ADVANTAGES OF FEATHERWEIGHT SHEAR AIRCRAFT HUCKBOLT STUMPS



HIGH STRENGTH — WEIGHT RATIO — SLS Shear Type Huckbolt Stumps provide maximum shear strength for minimum weight, yet meet the most critical requirements of aircraft designers.

HIGH CLINCH AND HIGH TENSILE PRELOAD— When hammer or squeezer-driving the SLS Huckbolt Stumps the sheets of work are driven together for optimum structural rigidity in shear as well as insuring gas and pressure tightness (maintaining the tradition established by the standard Huckbolt Stump). Close tolerance shanks facilitate use in interference fit holes to further improve tightness.

NO LOOSENING DUE TO OVERDRIVING—The swaging set never touches the Stump and therefore no loosening due to overdriving—most helpful in deep countersinks.

INCREASES PRODUCTION—The fast driving speed of SLS Huckbolts coupled with the simplicity of their operation which requires only two unskilled or semi-skilled laborers means greater production for your dollar.

LOW NOISE LEVEL—The ease of driving keeps noise level at a minimum.

IDEAL FOR CLOSE CLEARANCE APPLICATIONS— Low driving forces permit a variety of offset driving tools to be used for hard-to-get-to applications.

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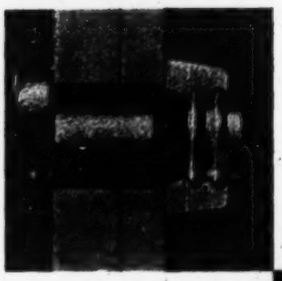
[fol. 1086]



GENERAL TECHNICAL INFORMATION ON THE FEATHERWEIGHT SLS HUCKBOLT

STRENGTH PROPERTIES

SLS HUCKBOLT DIAMETER	ALLOWABLE TENSION	ALLOWABLE SHEAR
3/16" Diameter	1,105 lbs.	2,620 lbs.
1/4" Diameter	2,040 lbs.	4,650 lbs.
5/16" Diameter	3,250 lbs.	7,300 lbs.
3/8" Diameter	5,050 lbs.	10,500 lbs.

SPECIFICATIONS

PIN

Material: Heat Treated Alloy Steel per AN-S-9 (AISI 4037)

Heat Treat: Carbon Recovery—Quench and Draw (Huck Spec. 101)

Finish: Cadmium Plate QQ-P-416 Type 1—Class C .0002 to .0005 thickness.

COLLAR

Material: 24S-T4 (2024-T4) Aluminum Alloy per AN-QQ-W-298

Finish: Anodized per AN-QQ-A-696 or Chemical Film per MIL-C-5541

Identification: Dyed Yellow

HOLE TOLERANCES AND DRILLING PROCEDURE

Suggested hole drilling procedures are shown on specification sheets pages 6, 7, 8, 9.

FOR INTERFERENCE FIT ASSEMBLY—Holes are prepared smaller than the shank diameter of the fasteners and the SLS is driven into the hole before the collar is applied.

FOR CLEARANCE FIT ASSEMBLY—Holes are prepared larger than the shank diameter of the SLS and the SLS is fully inserted in the hole before the collar and swaging set is applied.

SHOP PRACTICE NOTES

1. Steel or 24ST aluminum washers may be used under Huckbolt Stump head or collar to make up grip, if required.
2. Stumps and collars are lubricated and must not be degreased if proper driving characteristics are to be maintained.
3. Collars may be removed by splitting axially with a chisel, with a nut splitter, or a self-centering Collar Splitter available directly from Huck Manufacturing Company.
4. Where removal is necessary, another Huckbolt of the same diameter may be used as a replacement since the hole is enlarged only slightly. It is possible to make several replacements in the same hole and still maintain an interference fit.
5. The same swaging sets used to install the standard ALS Stump are used to install the SLS Shear Type Huckbolt Stump.
6. A special countersink cutter is required for use when driving hole filling countersunk head type Huckbolt Stumps into material of equal or greater hardness than the Huckbolt Stump material. The special cutters provide an extruding angle at the base of the countersink. These cutters are available from most manufacturers of micrometer stop countersinks. Sources are available upon inquiry to the Huck Manufacturing Company.

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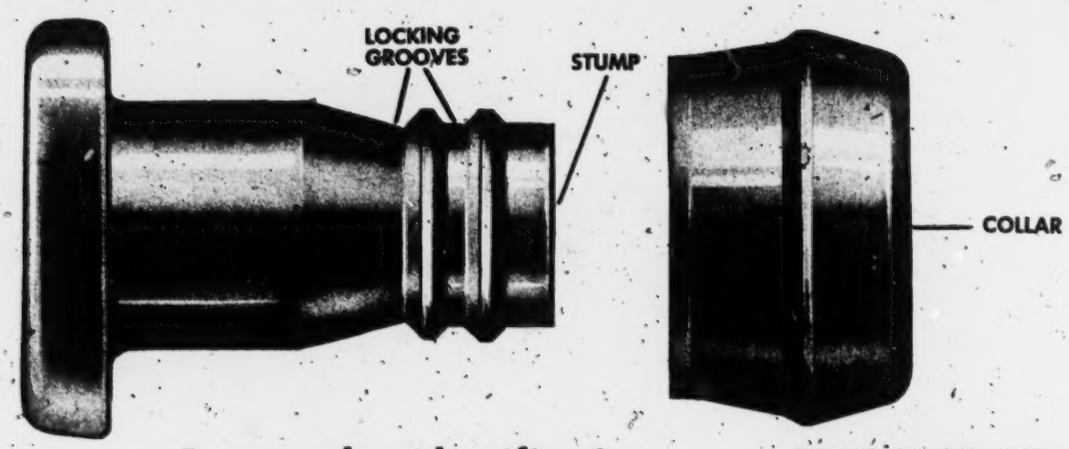
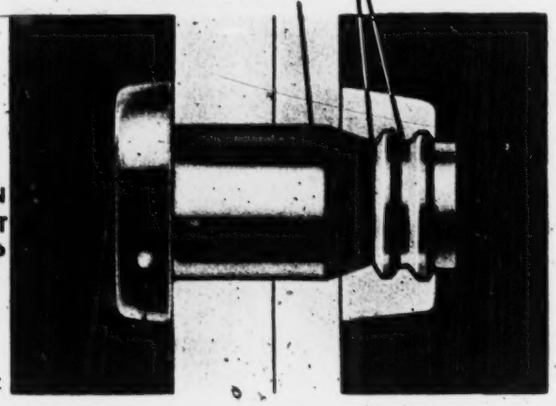
[fol. 1087]

NOMENCLATURE OF THE SLS HUCKBOLT STUMP



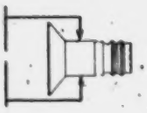
Part number identification

SLS P-T6-4



GRIP LENGTHS—MAXIMUM THICKNESS IN 16ths MINUS 1/16"

DIAMETER
6 = 3/16"
8 = 1/4"
10 = 5/16"
12 = 3/8"



MATERIAL T = ALLOY STEEL MATERIAL

HEAD TYPE P = PROTRUDING HEAD
100 = 100° COUNTERSUNK HEAD (CLOSE TOLERANCE)

SHEAR AIRCRAFT HUCKBOLT STUMP

Identification—Depressed "H" in Center of Head

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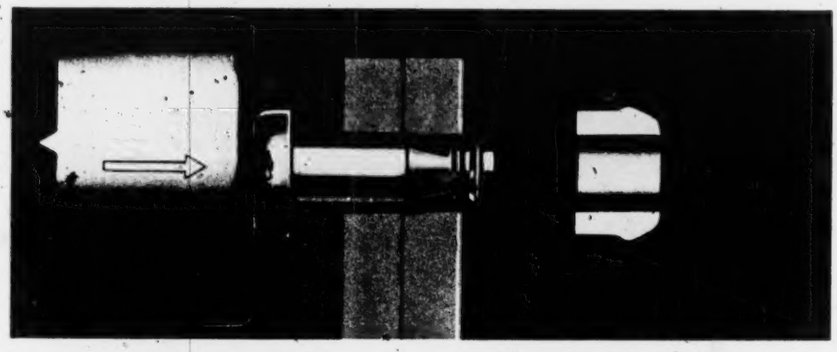
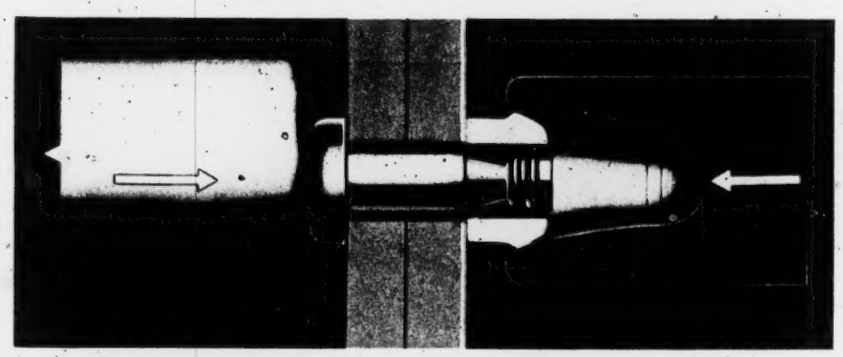
[fol. 1088]

DRIVING STEPS OF THE SLS FEATHERWEIGHT HUCKBOLT STUMPS

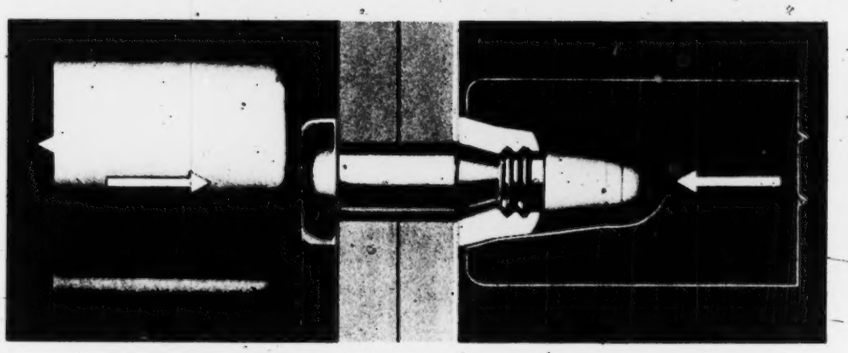
Huckbolt Stumps are quickly and easily installed with a minimum amount of effort using pneumatic air hammers or rivet squeezers equipped with swaging sets.



Step 1.—Insert the stump in the prepared hole. If interference fit is required drive the stump into the hole with a hammer or air hammer.



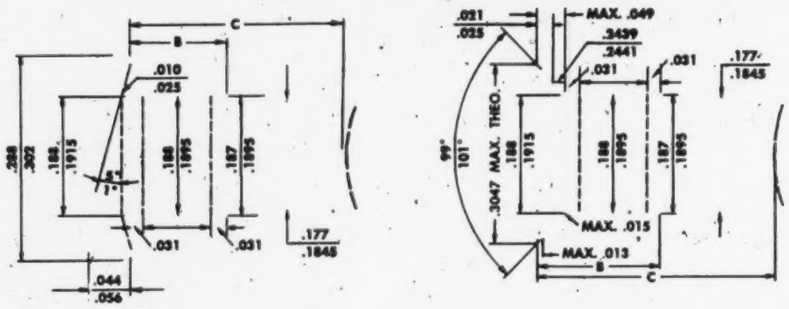
Step 2.—Apply collar to groove end of stump and swaging set to collar. Use bucking bar against head. The air hammer can be applied to the swaging set or to the bucking bar depending upon the rigidity of the work.



Step 3.—The swaging set is forced down over the collar, swaging collar material into the grooves providing a positive lock. Note that the swaging set DOES NOT touch the stump to loosen.

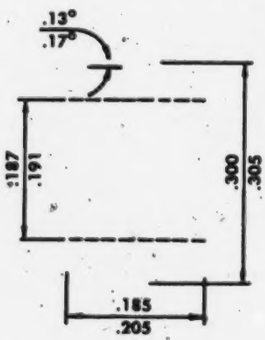
[fol. 1089]

SLS——————————————— 3/16 HUCKBOLT STUMP



PART NUMBER PROTRUDING	PART NUMBER COUNTERSUNK	GRIP NUMBER	GRIP RANGE MINIMUM	GRIP RANGE MAXIMUM	+.010 −.010 B	+.010 −.000 C
SLSP-T6		1	zero	.062	.062	.256
SLSP-T6	SLS100-T6	2	.062	.125	.125	.319
SLSP-T6	SLS100-T6	3	.125	.187	.187	.381
SLSP-T6	SLS100-T6	4	.187	.250	.250	.444
SLSP-T6	SLS100-T6	5	.250	.312	.312	.506
SLSP-T6	SLS100-T6	6	.312	.375	.375	.569
SLSP-T6	SLS100-T6	7	.375	.437	.437	.631
SLSP-T6	SLS100-T6	8	.437	.500	.500	.694
SLSP-T6	SLS100-T6	9	.500	.562	.562	.756
SLSP-T6	SLS100-T6	10	.562	.625	.625	.819
SLSP-T6	SLS100-T6	11	.625	.687	.687	.881
SLSP-T6	SLS100-T6	12	.687	.750	.750	.944
SLSP-T6	SLS100-T6	13	.750	.812	.812	1.006
SLSP-T6	SLS100-T6	14	.812	.875	.875	1.069
SLSP-T6	SLS100-T6	15	.875	.937	.937	1.131
SLSP-T6	SLS100-T6	16	.937	1.000	1.000	1.194
SLSP-T6	SLS100-T6	17	1.000	1.062	1.062	1.256
SLSP-T6	SLS100-T6	18	1.062	1.125	1.125	1.319
SLSP-T6	SLS100-T6	19	1.125	1.187	1.187	1.381
SLSP-T6	SLS100-T6	20	1.187	1.250	1.250	1.444
SLSP-T6	SLS100-T6	21	1.250	1.312	1.312	1.506
SLSP-T6	SLS100-T6	22	1.312	1.375	1.375	1.569
SLSP-T6	SLS100-T6	23	1.375	1.437	1.437	1.631
SLSP-T6	SLS100-T6	24	1.437	1.500	1.500	1.694
SLSP-T6	SLS100-T6	25	1.500	1.562	1.562	1.756
SLSP-T6	SLS100-T6	26	1.562	1.625	1.625	1.819
SLSP-T6	SLS100-T6	27	1.625	1.687	1.687	1.881
SLSP-T6	SLS100-T6	28	1.687	1.750	1.750	1.944
SLSP-T6	SLS100-T6	29	1.750	1.812	1.812	2.006
SLSP-T6	SLS100-T6	30	1.812	1.875	1.875	2.069
SLSP-T6	SLS100-T6	31	1.875	1.937	1.937	2.131
SLSP-T6	SLS100-T6	32	1.937	2.000	2.000	2.194

PART NUMBER
6LC-C6

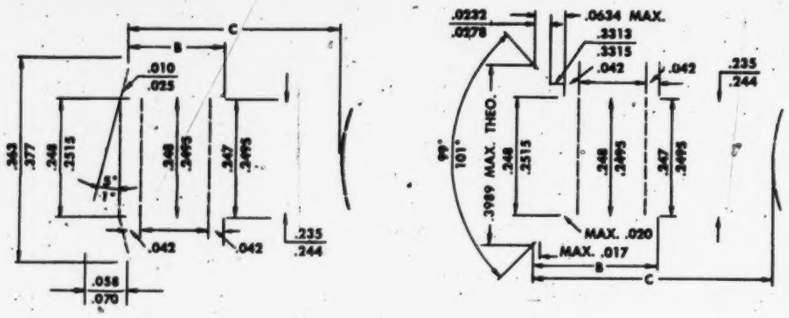


SUGGESTED HOLE PREPARATION

INTERFERENCE FIT PRE-DRILL	INTERFERENCE FIT SIZE DRILL	LONG GRIP SIZE DRILL	CLEARANCE FIT LIMITS	CLEARANCE FIT DRILL	MIN. HOLE
# 18 (1695)	# 13 (.185)	4.75MM (.187)	.185 .188	# 11 (.191)	.191

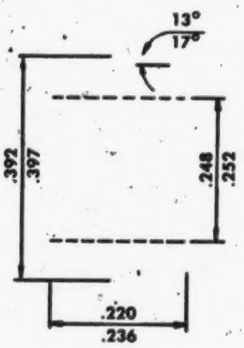
[fol. 1090]

1/4 HUCKBOLT STUMP — SLS



PART NUMBER		GRIP	GRIP RANGE		+.010 −.010	+.010 −.000
PROTRUDING	COUNTERSUNK	NUMBER	MINIMUM	MAXIMUM	B	C
SLSP-T8	SLS100-T8	2	.062	.125	.125	.371
SLSP-T8	SLS100-T8	3	.125	.187	.187	.433
SLSP-T8	SLS100-T8	4	.187	.250	.250	.496
SLSP-T8	SLS100-T8	5	.250	.312	.312	.558
SLSP-T8	SLS100-T8	6	.312	.375	.375	.621
SLSP-T8	SLS100-T8	7	.375	.437	.437	.683
SLSP-T8	SLS100-T8	8	.437	.500	.500	.746
SLSP-T8	SLS100-T8	9	.500	.562	.562	.808
SLSP-T8	SLS100-T8	10	.562	.625	.625	.871
SLSP-T8	SLS100-T8	11	.625	.687	.687	.933
SLSP-T8	SLS100-T8	12	.687	.750	.750	.996
SLSP-T8	SLS100-T8	13	.750	.812	.812	1.058
SLSP-T8	SLS100-T8	14	.812	.875	.875	1.121
SLSP-T8	SLS100-T8	15	.875	.937	.937	1.183
SLSP-T8	SLS100-T8	16	.937	1.000	1.000	1.246
SLSP-T8	SLS100-T8	17	1.000	1.062	1.062	1.308
SLSP-T8	SLS100-T8	18	1.062	1.125	1.125	1.371
SLSP-T8	SLS100-T8	19	1.125	1.187	1.187	1.433
SLSP-T8	SLS100-T8	20	1.187	1.250	1.250	1.496
SLSP-T8	SLS100-T8	21	1.250	1.312	1.312	1.558
SLSP-T8	SLS100-T8	22	1.312	1.375	1.375	1.621
SLSP-T8	SLS100-T8	23	1.375	1.437	1.437	1.683
SLSP-T8	SLS100-T8	24	1.437	1.500	1.500	1.746
SLSP-T8	SLS100-T8	25	1.500	1.562	1.562	1.808
SLSP-T8	SLS100-T8	26	1.562	1.625	1.625	1.871
SLSP-T8	SLS100-T8	27	1.625	1.687	1.687	1.933
SLSP-T8	SLS100-T8	28	1.687	1.750	1.750	1.996
SLSP-T8	SLS100-T8	29	1.750	1.812	1.812	2.058
SLSP-T8	SLS100-T8	30	1.812	1.875	1.875	2.121
SLSP-T8	SLS100-T8	31	1.875	1.937	1.937	2.183
SLSP-T8	SLS100-T8	32	1.937	2.000	2.000	2.246

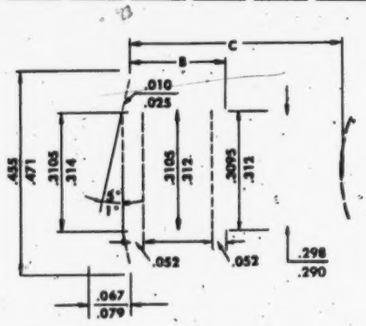
PART NUMBER
6LC-C8

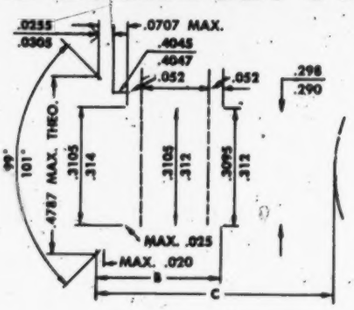


SUGGESTED HOLE PREPARATION

INTERFERENCE FIT		LONG GRIP	CLEARANCE FIT		
PRE-DRILL	SIZE DRILL	SIZE DRILL	LIMITS	DRILL	MIN. HOLE
# 1 (.228)	6.2MM (.2441)	"D" (.246)	.244 .247	¼" (.250)	.250

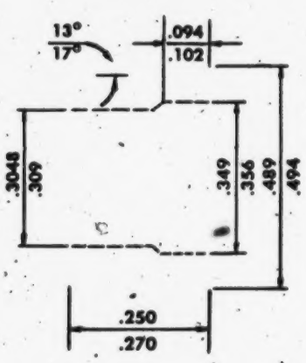
SLS——————————————5/16 HUCKBOLT STUMP





PART NUMBER PROTRUDING	PART NUMBER COUNTERSUNK	GRIP NUMBER	GRIP RANGE MINIMUM	GRIP RANGE MAXIMUM	+.010 −.010 B	+.010 −.000 C
SLSP-T10		2	.062	.125	.125	.390
SLSP-T10	SLS100-T10	3	.125	.187	.187	.453
SLSP-T10	SLS100-T10	4	.187	.250	.250	.515
SLSP-T10	SLS100-T10	5	.250	.312	.312	.578
SLSP-T10	SLS100-T10	6	.312	.375	.375	.640
SLSP-T10	SLS100-T10	7	.375	.437	.437	.703
SLSP-T10	SLS100-T10	8	.437	.500	.500	.765
SLSP-T10	SLS100-T10	9	.500	.562	.562	.828
SLSP-T10	SLS100-T10	10	.562	.625	.625	.890
SLSP-T10	SLS100-T10	11	.625	.687	.687	.953
SLSP-T10	SLS100-T10	12	.687	.750	.750	1.015
SLSP-T10	SLS100-T10	13	.750	.812	.812	1.078
SLSP-T10	SLS100-T10	14	.812	.875	.875	1.140
SLSP-T10	SLS100-T10	15	.875	.937	.937	1.203
SLSP-T10	SLS100-T10	16	.937	1.000	1.000	1.265
SLSP-T10	SLS100-T10	17	1.000	1.062	1.062	1.328
SLSP-T10	SLS100-T10	18	1.062	1.125	1.125	1.390
SLSP-T10	SLS100-T10	19	1.125	1.187	1.187	1.453
SLSP-T10	SLS100-T10	20	1.187	1.250	1.250	1.515
SLSP-T10	SLS100-T10	21	1.250	1.312	1.312	1.578
SLSP-T10	SLS100-T10	22	1.312	1.375	1.375	1.640
SLSP-T10	SLS100-T10	23	1.375	1.437	1.437	1.703
SLSP-T10	SLS100-T10	24	1.437	1.500	1.500	1.765
SLSP-T10	SLS100-T10	25	1.500	1.562	1.562	1.828
SLSP-T10	SLS100-T10	26	1.562	1.625	1.625	1.890
SLSP-T10	SLS100-T10	27	1.625	1.687	1.687	1.953
SLSP-T10	SLS100-T10	28	1.687	1.750	1.750	2.015
SLSP-T10	SLS100-T10	29	1.750	1.812	1.812	2.078
SLSP-T10	SLS100-T10	30	1.812	1.875	1.875	2.140
SLSP-T10	SLS100-T10	31	1.875	1.937	1.937	2.203
SLSP-T10	SLS100-T10	32	1.937	2.000	2.000	2.265

PART NUMBER
6LC-C10

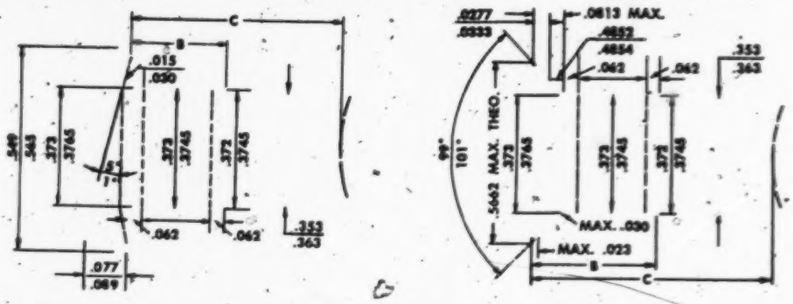


SUGGESTED HOLE PREPARATION

INTERFERENCE FIT PRE-DRILL	INTERFERENCE FIT SIZE DRILL	INTERFERENCE FIT LIMITS	CLEARANCE FIT DRILL	CLEARANCE FIT MIN. HOLE
"L" .290	7.8MM .3071	.307 .310	5/16"	.3125

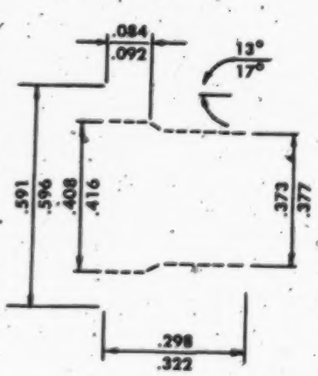
[fol. 1092]

3/8 HUCKBOLT STUMP — SLS



PART NUMBER PROTRUDING	PART NUMBER COUNTERSUNK	GRIP NUMBER	GRIP RANGE MINIMUM	GRIP RANGE MAXIMUM	+.010 −.010 B	+.010 −.000 C
SLSP-T12		2	.062	.125	.125	.433
SLSP-T12	SLS100-T12	3	.125	.187	.187	.496
SLSP-T12	SLS100-T12	4	.187	.250	.250	.558
SLSP-T12	SLS100-T12	5	.250	.312	.312	.621
SLSP-T12	SLS100-T12	6	.312	.375	.375	.683
SLSP-T12	SLS100-T12	7	.375	.437	.437	.746
SLSP-T12	SLS100-T12	8	.437	.500	.500	.808
SLSP-T12	SLS100-T12	9	.500	.562	.562	.871
SLSP-T12	SLS100-T12	10	.562	.625	.625	.933
SLSP-T12	SLS100-T12	11	.625	.687	.687	.996
SLSP-T12	SLS100-T12	12	.687	.750	.750	1.058
SLSP-T12	SLS100-T12	13	.750	.812	.812	1.121
SLSP-T12	SLS100-T12	14	.812	.875	.875	1.183
SLSP-T12	SLS100-T12	15	.875	.937	.937	1.246
SLSP-T12	SLS100-T12	16	.937	1.000	1.000	1.308
SLSP-T12	SLS100-T12	17	1.000	1.062	1.062	1.371
SLSP-T12	SLS100-T12	18	1.062	1.125	1.125	1.433
SLSP-T12	SLS100-T12	19	1.125	1.187	1.187	1.496
SLSP-T12	SLS100-T12	20	1.187	1.250	1.250	1.558
SLSP-T12	SLS100-T12	21	1.250	1.312	1.312	1.621
SLSP-T12	SLS100-T12	22	1.312	1.375	1.375	1.683
SLSP-T12	SLS100-T12	23	1.375	1.437	1.437	1.746
SLSP-T12	SLS100-T12	24	1.437	1.500	1.500	1.808
SLSP-T12	SLS100-T12	25	1.500	1.562	1.562	1.871
SLSP-T12	SLS100-T12	26	1.562	1.625	1.625	1.933
SLSP-T12	SLS100-T12	27	1.625	1.687	1.687	1.996
SLSP-T12	SLS100-T12	28	1.687	1.750	1.750	2.058
SLSP-T12	SLS100-T12	29	1.750	1.812	1.812	2.121
SLSP-T12	SLS100-T12	30	1.812	1.875	1.875	2.183
SLSP-T12	SLS100-T12	31	1.875	1.937	1.937	2.246
SLSP-T12	SLS100-T12	32	1.937	2.000	2.000	2.308

PART NUMBER
6LC-C12



SUGGESTED HOLE PREPARATION

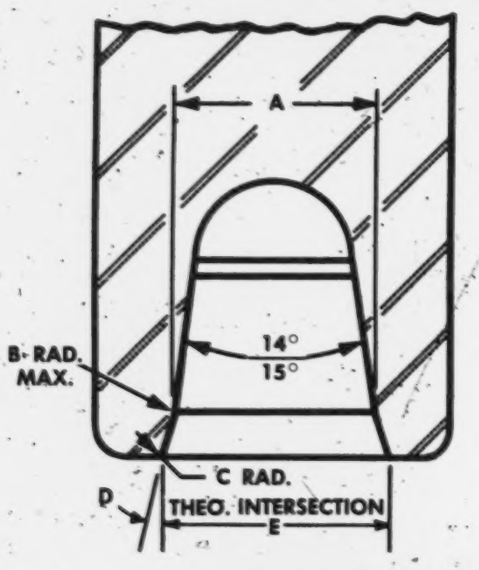
INTERFERENCE FIT PRE-DRILL	INTERFERENCE FIT SIZE DRILL	LONG GRIP SIZE DRILL	CLEARANCE FIT LIMITS	CLEARANCE FIT DRILL	MIN. HOLE
11/32"	"U"	9.4MM	.369	3/8"	.375
.343	.368	.3701	.372		

[fol. 1093]

SLS SWAGING SETS FOR SLS HUCKBOLT STUMPS

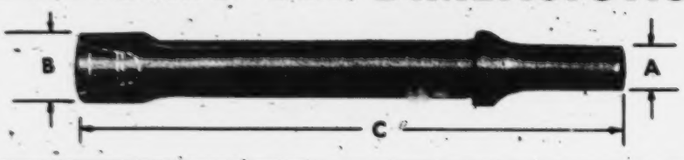
CUP DIMENSIONS

The swaging sets described below may be used on SLS Shear Huckbolt Stumps or ALS Huckbolt Stumps with equal facility.



HUCKBOLT NO.	A	B	C	D	E
SLS-T6	.289 / .286	1/8"	.014 / .009	16° / 15°	.317 / .314
SLS-T8	.379 / .376	1/8"	.016 / .011	16° / 15°	.415 / .412
SLS-T10	.471 / .468	5/32"	.030 / .025	18° / 17°	.531 / .528
SLS-T12	.569 / .566	5/32"	.035 / .030	18° / 17°	.625 / .622

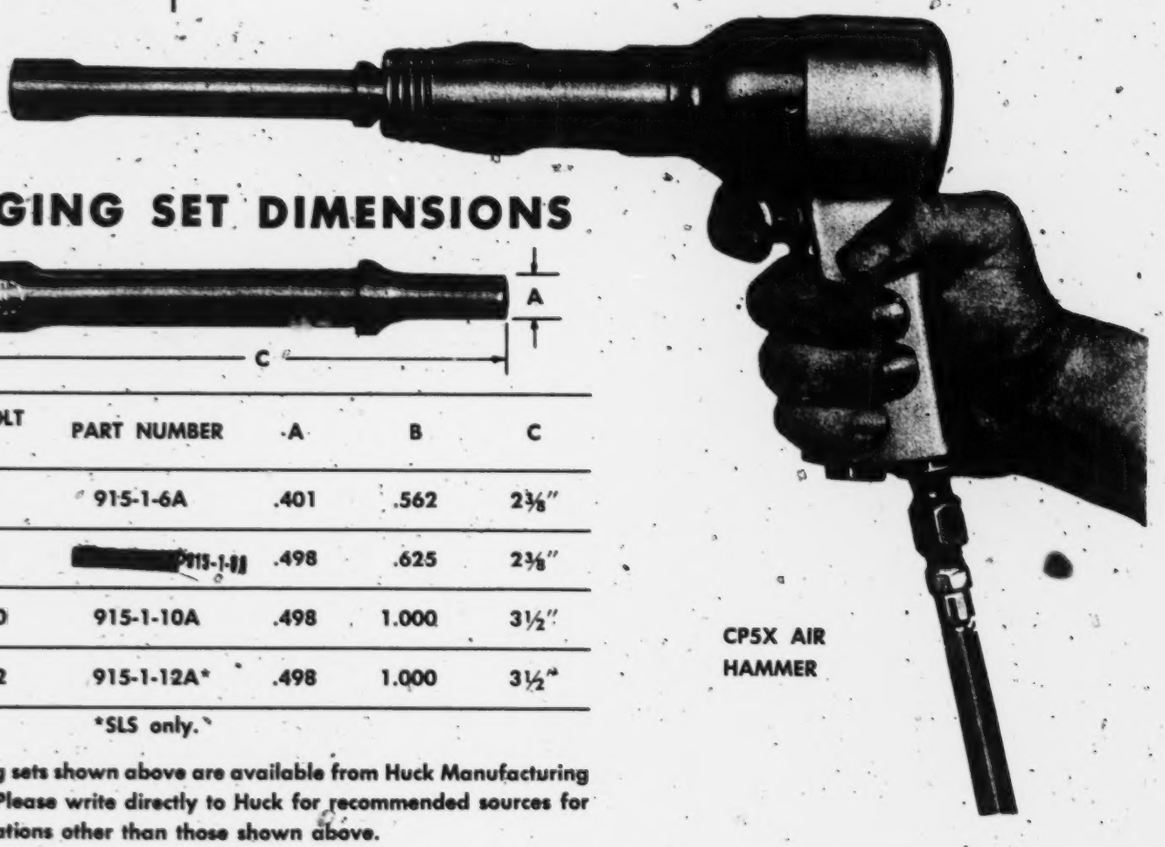
SWAGING SET DIMENSIONS



HUCKBOLT NO.	PART NUMBER	A	B	C
SLS-T6	915-1-6A	.401	.562	2⅜"
SLS-T8	[redacted]915-1-8A	.498	.625	2⅜"
SLS-T10	915-1-10A	.498	1.000	3½"
SLS-T12	915-1-12A*	.498	1.000	3½"

*SLS only.

The Swaging sets shown above are available from Huck Manufacturing Company. Please write directly to Huck for recommended sources for set configurations other than those shown above.



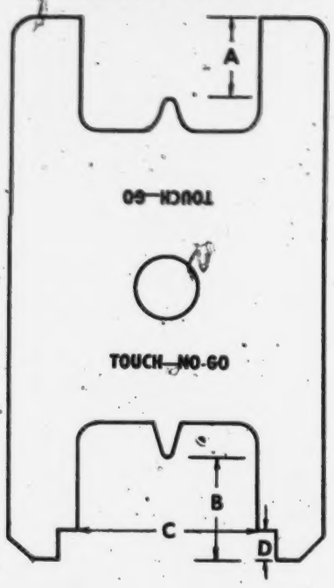
CP5X AIR HAMMER

[fol. 1094]

INSPECTION OF INSTALLED HUCKBOLT STUMPS

SLS

GAGE DIMENSIONS



(Normally visual inspection is adequate—if in doubt or if controversy arises use strip gages as shown below).

GAGE NO.	HUCKBOLT NO.	A	B	C	D
HG75-1	SLS-T6	.197 / .194	.266 / .263	.2785 / .2765	.115 / .113
HG75-2	SLS-T8	.246 / .249	.318 / .315	.3694 / .3674	.140 / .138
HG75-3	SLS-T10	.265 / .268	.337 / .334	.4710 / .4690	.130 / .128
HG75-4	SLS-T12	.308 / .311	.380 / .377	.5647 / .5627	.160 / .158

GAGE USE

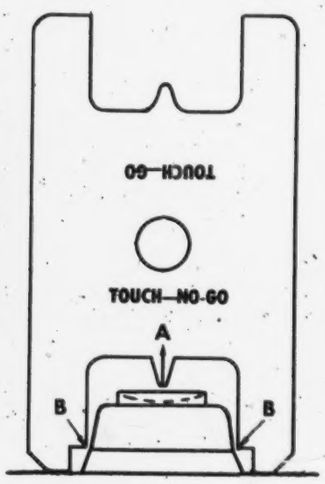
CHECKING STUMP FOR MINIMUM GRIP AND COLLAR SWAGE

A. Center gage on collar TOUCH NO-GO side down.

B. If point A does not touch center of Stump, Huckbolt is driven over minimum grip and is O.K.

C. If point A touches center of Stump, Huckbolt is driven under minimum grip—REJECT —use next shorter Stump.

D. If point B touches collar swage is insufficient. Drive further.

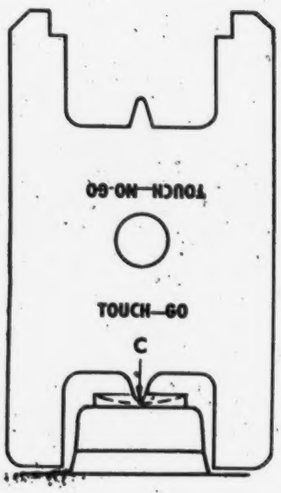


CHECKING STUMP FOR MAXIMUM GRIP

A. Reverse gage and center on collar TOUCH - GO side down.

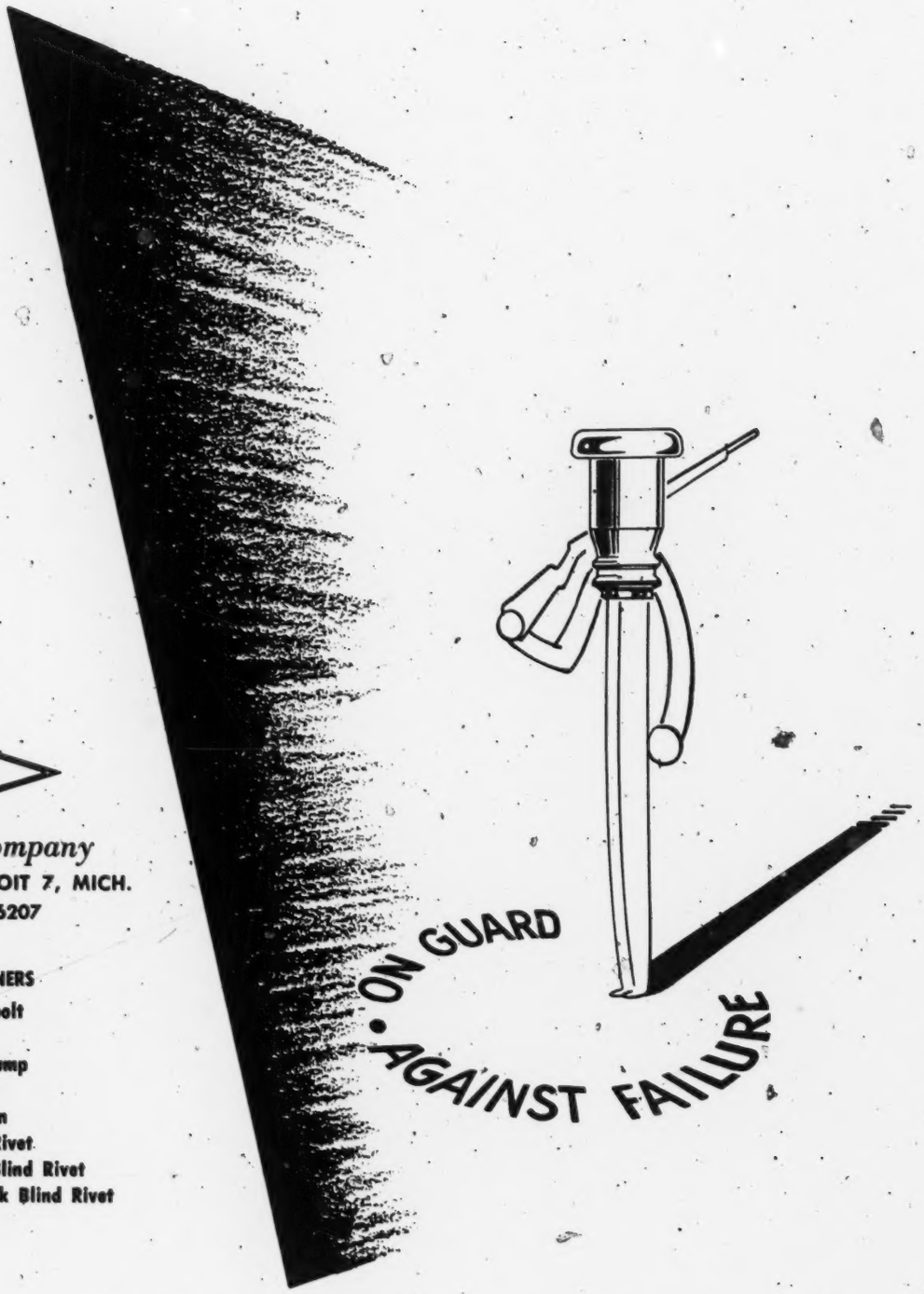
B. If point C touches, Stump is driven under maximum grip and is O.K.

C. If point C does not touch, Stump is driven over maximum grip — REJECT — use next longer stump.



When collars are installed against slopes (7° max.) inspect in plane A-A.

[fol. 1095]



HUCK

Manufacturing Company

2480 BELLEVUE AVE. DETROIT 7, MICH.
PHONE WALNUT 1-6207

OTHER HUCK FASTENERS

SAI — Shear Aircraft Huckbolt
AL — Aircraft Huckbolt
ALS — Aircraft Huckbolt Stump
CL — Commercial Huckbolt
9SP — Self Plugging Huckpin
PT — Pull Through Blind Rivet
OS — Oversize Structural Blind Rivet
CKL — Conical Keystone Lock Blind Rivet
BL — Blind Huckbolt

PRINTED IN U.S.A. FORM NO. 8-353 JUNE, 1958

[fol. 1096] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 20

Criminal Action No. 39017

UNITED STATES OF AMERICA, Plaintiff,

v.

HUCK MANUFACTURING COMPANY, TOWNSEND COMPANY, A. WATSON ARMOUR, III, FRED R. DICKENSON, Defendants.

STIPULATION OF TESTIMONY BY DANTE C. FABIANI

It is hereby stipulated by all parties to this action by their attorneys as follows:

If called to testify in this criminal action, Mr. Dante C. Fabiani, now President of Crane Company, New York, New York, and formerly an officer of Townsend Company, defendant in this action, would state under oath—

(1) that the signature made by D. C. Fabiani appearing on page 7 of document bearing the title "Agreement" and identified by the symbol J-605 and bearing the dates November 1, 1955 and October 26, 1955 on the final page of that 7-page document is his signature bearing witness to the genuineness and authenticity of the signature made by F. R. Dickenson in his presence, which also appears on that page;

(2) that the signature made by D. C. Fabiani appearing on a letter dated May 7, 1959, which letter is appended to and supplements the "Sales Agreement" dated October 22, 1958, and which sales agreement is identified by the symbol J-566, between Huck Manufacturing Company and Townsend Company is his signature [fol. 1097] bearing witness to the genuineness and authenticity to the signature of F. R. Dickenson made in his presence, which also appears on that page;

(3) that the signature D. C. Fabiani appearing on page 5 of the document bearing the title "Blind Lockbolt Agreement" and the identifying symbol J-595 and

the dates June 25, 1958 and July 3, 1958 on the final page of that 5-page document is his signature bearing witness to the genuineness and authenticity of the signature made by F. R. Dickenson in his presence, which also appears on that page.

/s/ Charles R. Esherick, /s/ Jack L. Lipson, Attorneys, Department of Justice. Date: February 25, 1963.

/s/ James E. Haggerty, Attorney, Huck Manufacturing Company and A. Watson Armour, III. Date: —.

/s/ Thomas Pomeroy, Jr., /s/ Samuel McCune, Attorneys, Townsend Company and Fred R. Dickenson. Date: February 26, 1963.

[fol. 1098] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 24

HUCK MANUFACTURING COMPANY
Sales Engineer's Report

Date: Sept. 4, 5, 6, 7, 1951.

To: Sales Department.

From: R. Looker.

Company: Consolidated Vultee Aircraft Corporation.
Street & City: Fort Worth.

State: Texas.

Products: B36 Aircraft.

☒ Personal

Distribution: L. C. Huck, A. W. Armour III, W. J. Westrick, F.A.D.

Personnel Contacted: See below.

Details of Sales or Tool Report: Marion L. Hicks, Assistant Gen. Mgr., Jake H. Deitzer, Chief of Materials, Henry Jones, Purchasing Agent, Charlie Dawson, Patent

Attorney, Lester Munroe, Executive Assistant, Roy Lind, S.A.P.D., Ed Kurzava, Group 5-Buying Supervisor, Al Higgins, Dev. Manager, J. E. MacBride, Rivet. Tooling, Jack Fain, General Foreman # 46, Ed Faulkner, General Foreman # 45.

1. On the morning of September 4, 1951 the writer together with Messrs. Huck, and Unfried met with Messrs. Hicks, Deitzer, Jones, and Dawson. Mr. Hicks, representing management at that meeting, stated that it was not the policy of Convair to infringe or encourage the infringement of patents. He stated that Convair regretted the unfortunate incident that Cherry Lockbolts had been purchased, and that the problems to be solved were namely to keep production going, and also decide what to do with the Cherry Lockbolts.

2. Henry Jones presented us with a list of the Cherry Lockbolts that had been purchased. Mr. Westrick was then contacted, and asked us to quote Henry Jones personally our best price and delivery for the same items that Convair had ordered from Cherry Rivet Division of the Townsend Company.

3. Henry Jones sent a wire to the Cherry Rivet Company asking for cancellation charges on the balance of the items on order from Cherry. That cancellation charge amounted to a little more than $13,000, which was almost the quoted value of the items that have been unshipped. Henry Jones indicated that he was planning to send a man to the Cherry Rivet Company in order to determine what basis Cherry had for such an outrageous cancellation charge.

4. Cherry had already delivered the equivalent of our ALPPN-T8-17 and -19. We were given a few sample Lockbolts which we drove in private with the CO-2 kit. The Cherry Lockbolts required between 90 and 98 pounds PSI line pressure in order to break the pins and the -19, Cherry Lockbolts heads pulled off in two out of three cases. The head popper condition occurred at about 95 PSI line pressure. We then repeated this demonstration in the office of Mr. Henry Jones in the presence of all those concerned [fol. 1099] with the Cherry Lockbolt situation at Convair. At that demonstration also, the Cherry heads popped off in about two out of every three we drove. To the best of our belief the Cherry Lockbolts were driven in flat plates

in non hole filling holes. And we, therefore, do not believe that there was any appreciable angularity presented to the head configuration upon driving. This demonstration was very effective in backing up the claims that we had made that it takes a great deal of know how to make Lockbolts, and that we have no confidence that the Cherry rivet division of Townsend has such know how.

5. We indicated strongly that our primary concern was the good name of the Huck Lockbolt, and that we feared for our reputation if Convair used, and had subsequent trouble with the Cherry Lockbolt. It was decided in effect that Convair would not purchase any more Lockbolts until the validity of our patents has been proved or disproved, unless we can not supply their requirements provided given reasonable lead time. If they found it necessary to purchase any more Cherry Lockbolts they would give us advance notice in writing. If they find it necessary to use the Cherry Lockbolts they have on hand or may at some time have on hand they will also advise us in writing at the same time sending us 50 samples of each part number for our examination and recommendations. They have however, reserved the right to use them irrespective of our recommendations. Based on the foregoing we will continue to sell Convair Lockbolt pins and Lockbolt collars.

Very best regards, Robert Looker.

mb

Sep. 17, 1951, Sales Dept.

[fol. 1100] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 25

Filed May 27 1953 Edmund L. Smith, Clerk By (illegible), Deputy Clerk.

George B. White, Mason & Graham, Collins Mason, William R. Graham, 811 West Seventh Street, Los Angeles 17, California, VAndike 2184, Attorneys for Defendant.

Mailed copy to: Lyon & Lyon, 811 W. 7th St., LA 17

IN THE UNITED STATES DISTRICT COURT, SOUTHERN DISTRICT OF CALIFORNIA, CENTRAL DIVISION

Civil Action No. 13,689-T

HUCK MANUFACTURING COMPANY, A MICHIGAN CORPORATION, Plaintiff,

vs.

TOWNSEND COMPANY, A PENNSYLVANIA CORPORATION, Defendant.

NOTICE OF APPEAL

Notice is Hereby Given that Townsend Company, a Pennsylvania corporation, the defendant above named, hereby appeals to the United States Court of Appeals for the Ninth Circuit from the final judgment entered herein on the 27th day of April, 1953, and from the order entered on the 25th day of May, 1953 denying defendant's motion for new trial herein filed on the 1st day of May, 1953.

Dated this 27th day of May, 1953.

Mason & Graham, Collins Mason, William R. Graham, George B. White, By Collins Mason, Attorneys for Defendants.

[fol. 1101] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 26

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: February 3, 1953.

Subject: Request for Lockbolt License-The Townsend Company Armour, v Benkerf, Stern Reynolds, Westrick,

To: Dobbe, Van Hecke & Steele

From: Robert Looker.

Enclosed are copies of John Sterritt's letter of January 12, 1953, addressed to Mr. George B. White (Townsend Patent Attorney), Mr. F. R. Dickenson's (President of Townsend) letter of January 20, 1953, to John Sterritt and John Sterritt's letter of January 26, to the writer.

It is requested that the recipients of this memorandum give their thorough consideration to the latest proposal of the Townsend Company as expressed in Dickenson's letter of January 20. Although we have successfully weathered the threat of infringement and patent invalidity for the Lockbolt, Townsend still holds over our head the threat of appeal.

Probably more important than the threat of appeal is the threat of redevelopment so as to avoid our valid Lockbolt patents. Stubbornness and refusal to accept the defeat have already shown themselves quite clearly as characteristics of the Townsend Company, and in the event that they lose they appeal to the ninth circuit court their next course of action would logically be development of a Lockbolt type fastener which would avoid our patents and perhaps obsolete the Lockbolts which we have developed. We have no way of evaluating possibility of such a move, but considering many such like circumstances that is the primary threat which now faces us insofar as the Townsend Company is concerned.

It might be well to consider the possibility of drawing up an agreement with the Townsend Company to the effect that, if and when, we grant a license to another manufacturer we would grant Townsend a similar license. Such an agreement would be perhaps be acceptable to Townsend, and would give them an excuse to avoid the appeal as well as the necessity for developing a new Lockbolt type fastener. The above proposal is not in form of a recommendation, but is a suggestion which does bear some consideration.

The writer is planning to meet with John Sterritt, Thursday, February 5, and discuss pros and cons of different approaches to the problem. You will be advised fully as to the conclusions reached in our conference including a resume of the factors discussed.

Very best regards, Robert Looker.

RL:mb

[fol. 1102] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 27

Factors Relating to the Establishment of a Second Source for Huckbolt Manufacture by License Agreement

The following is a pro and con discussion relating to any Huckbolt license agreement which we now contemplate or may contemplate in the future and is noted herewith in response to Mr. A. W. Armour's request of May 3.

(Armour, Benkert, Dobbe, Reynolds, Stern, Looker)

I. Should a Huckbolt license and second source for Huckbolts be established at this time?

Factors For:

1. With a second source, labor negotiations would be facilitated.
2. It is felt that more than one source is required in order to develop a greater over-all market for the

Huckbolt fastener (i.e., two sources can sell more than twice as much as one source).

3. Royalty income should be of appreciable benefit without capital expenditure of this company.
4. Secondary sources may hasten the development and expansion of driving tool production and help lessen our greatest sales drawback, i.e., rivet driving tools.

Factors Against:

1. With patent infringement appeal not yet heard, there is a chance that any know-how information which we might transmit at this time could be used against us if the lower court's decision on patent validity and/or infringement were reversed.
2. The licensee's first customers would probably be our customers and we would suffer a dip in business until such time as the licensee could establish customers of their own which we could draw upon.
3. Unless there were some price restrictions keeping the licensee from selling appreciably below our published prices, we could suffer badly in competition because of our high labor rates, etc.
4. Poor Huckbolt manufacture could cause some trouble in the field and hurt the Huckbolt's reputation from an over-all standpoint.

II. What should be the requirements of our potential Huckbolt licensee?

1. A manufacturer equipped to produce Huckbolt pins and collars complete in diameters through ½" at least.
2. A fastener manufacturer who has a reputation and skill in producing fasteners in volume production to close tolerances.
3. A fastener manufacturer having a sales organization operating preferably in industries and locations where our coverage is not great.
4. A fastener manufacturer who utilizes ethical sales and business practices by practice and reputation.

[fol. 1103] III. Should the Townsend Company be considered for a Huckbolt license at this time?

Factors For:

1. Townsend already has considerable capital invested in the Huckbolt and it is possible that they will try, through re-development, to avoid patents which have been issued. We have been a thorn in their side and will continue to be so until they have the Huckbolt on the market.
2. Townsend has the threat of appeal held over our head and the possibility that our patents will, in the future, be declared invalid and/or not infringed by the present Townsend construction.

Factors Against:

1. If Townsend is licensed, the Huckbolt will probably be a product of the Cherry Rivet Division and their sales strength is in exactly the same areas where our sales strength lies. Consequently they will tend to merely take part of our business rather than establish their own.
2. We tend to quarrel with the Townsend Company and our old wounds and their old wounds have not healed. Such an atmosphere would not be healthy in these negotiations or practical considerations after the negotiations.
3. We have doubt as to Townsend's ability to manufacture the Huckbolt properly.
4. We have doubt as to Townsend's ability to effectively sell a specialized fastener like the Huckbolt as Townsend's sales are geared to conventional barnyard fasteners while the Cherry sales organization is almost totally integrated within Townsend with the exception of their West Coast aircraft sales which make up a very great portion of our Huckbolt business as you know.

Comments

Although I doubt if our granting a license will influence Townsend's decision to appeal the lower court decision in our patent infringement suit, it is somewhat probable that such a license would deter them from any continuing development to circumvent our patent protection.

Factors relating to general licensing, including the above, are shown in the attached memorandum from John Sterritt to Mr. Huck, dated February 21, 1951, while factors relating to the Townsend Company are expressed by Mr. Sterritt's letter of April 11, 1951, also attached to this memorandum.

The following points should be considered specifically in any license which we draw up:

a. The license should be non-exclusive and extend through the life of patents which are issued covering constructions or which will be issued in the future.

b. Improvements. We should get paid up licenses on improvements made by licensee with right to sublicense on such improvements for improvements falling under our claims or under claims subsequently issued.

[fol. 1104] c. Price maintenance. Although it is now legal to fix prices on patent licenses, if an entire industry is not so controlled by such price fixing, we have no assurance that such practices will be permitted in the future. If prices are fixed in the license agreement, the licensee automatically has the right to contest the validity of any patents so issued.

d. Suggested royalty clause—5% government sales, 7½% commercial sales.

e. Minimum royalties. As a general rule, non-exclusive licenses have lower minimum royalties which is ordinarily in a large amount. This could be established possibly for the first year between five and ten thousand dollars and for the second and each subsequent year somewhere between ten and twenty-five thousand dollars.

f. We do feel it important that the licensee be equipped to manufacture Huckbolts at least ½" in diameter for

a great portion of our unexplored market is within the larger diameter range.

It is felt that the actual decisions should be made by those concerned in our management and consequently the writer is refrained from making any specific recommendation at this writing.

Very best regards, R. Looker, May 4, 1954.

RL:rm

Sales Policies the same—FOB point etc.

[fol. 1105]

M. V. C.

APR 12 1951

A. W. A. III

APR 1[illegible] 1951

HARNESS, DICKEY & PIERCE
ATTORNEYS AND COUNSELLORS
GENERAL MOTORS BUILDING
DETROIT
2

J. RING HARNESS
ARTHUR W. DICKEY
PAUL F. SEIBOLD
CYRUS G. HINKLER
JOHN D. SCOFIELD
JOHN A. BLAIR
JOHN C. STERRITT
JOHN C. L. COWEN
DON K. HARNESS

ROBERT L. BOYNTON
JOHN L. STOUGHTON
JAMES V. SHERIDAN

EDWARD R. CASSELMAN
JOHN V. SOBESKY
PATENT SOLICITORS

HODGSON S. PIERCE
1927-1947

THOMAS J. NIENHAUS
1931-1948

TRinity 5-2300
CABLE ADDRESS
"HARNESS"

A. A.

APR 13 1951

April 11, 1951

Mr. A. W. Armour, III
Executive Vice President
Huck Manufacturing Co.
141 West Jackson Boulevard
Chicago 4, Illinois

Re: Proposed Lockbolt License to Townsend

Dear Mr. Armour:

It is premature and impractical to prepare a license draft at this time setting out in detail the license provisions that Huck might propose to Townsend. First, there should be an agreement in the Huck management on the terms that you will want and, secondly, those terms should be discussed with Townsend before any preliminary draft is made. The actual drafting of the license agreement after specific points have been agreed upon is not too difficult; but I do not feel that it would be to Huck's advantage to commit itself in any form until after a preliminary discussion with Townsend.

The two most important provisions in any patent license agreement are: A. the granting clause and B. the royalty clause. I have prepared an outline of various factors and proposals that should be considered by the Huck management under these two clauses and the unified position currently determined prior to the Townsend meeting.

A. Granting clause -

The two most important provisions in any patent license agreement are: A. the granting clause and B. the royalty clause. I have prepared an outline of various factors and proposals that should be considered by the Huck management under these two clauses and the unified position currently determined prior to the Townsend meeting.

A. Granting clause -

1. A straight, unrestricted, non-exclusive license to Townsend to manufacture, use and sell lockbolt constructions under the Huck patents.

2. The same as 1 plus a provision that Huck's improvements will be included.

3. The same as 1 plus an agreement that Huck will not grant licenses to others.

A-11

? not in contemp
agreed for period
of (3) yrs in contemp

-1-

The effect of this would be to exclude all but Huck and Townsend. It would be more valuable to Townsend that 1 or 2, and would justify higher royalties and minimum guarantees.

4. The same as (1) 2, or 3, but excluding the "blind" lockbolt.

B. Royalty clause -

1. A straight royalty of X percent on all net sales.

2. A royalty of X percent on government sales, and a royalty of X plus percent on non-government sales.

3. The same as 1 or 2 plus a royalty of percent until a sum of $75,000 dollars has been paid on Y percent alone, to compensate Huck for ~~development and~~ pioneering sales expense (this would be well justified if number 3 of the granting clause were used).

4. A sliding scale royalty in which the percentage changed for different sales total brackets.

When this is used it usually provides for a decrease in the royalties as the sales increase, but it may be that you would be more interested in having a provision for an increased royalty as the sales increased in order to protect Huck's volume.

5. A requirement that minimum royalties be maintained either ~~(a) a flat figure as a definite obligation or~~ (b) a requirement that if certain royalty totals (either earned or unearned) are not paid, then the license may be terminated by Huck.

In connection with the percentages that you should ask for, this would be a negotiated figure, and ordinarily a royalty of 5% is considered a substantial one.

The license would also include a number of other provisions which are listed herebelow.

C. A provision relating to improvements on the lockbolt made by Townsend in which there would be either (1) ~~an assignment of such improvements to Huck~~ or (2) a license to Huck. Royalty free —

D. A provision for maintaining records and accounting of royalties, due either quarterly or semi-annually.

E. A price maintenance provision. This is a provision that I have previously written you about.

F. Termination provisions -

1. At any time upon ~~——~~ 3 (now inclusive) month's notice by Townsend, with or without a provision that licensee would never test the validity of the patents. Provide for fulfillment of existing orders —

2. Upon breach by Townsend (such as failure to account or pay royalties) Huck may terminate upon notice, unless breach is cured.

G. Favored licensee clause -

A provision that if other licenses are granted by Huck on more favorable terms, Townsend would get the benefit of these terms.

H. A provision that Huck would sue other infringers. This is a provision that often brings controversy in a patent license agreement because the licensee usually insists upon it in order to justify his paying royalties and the licensor is usually reluctant to include it because he doesn't want to be in a position where he is forced into litigation. no - unless jointly by T + H

I. Other standard provisions, such as, termination by Huck in the event of bankruptcy of Townsend, provision for notice, representation of ownership and right to grant license by Huck; and provisions for transferability of the license by Huck and non-transferability of the license by Townsend except to a successor in business.

As you get into your negotiations there may be other special provisions that would develop, there usually are. It is hard to anticipate them at this stage.

In general, a patent license does not follow any particular form, and it can be shaped to fit practically any circumstances.

I am sending a copy of this letter to Mr. Adams, Mr. Huck, Mr. Stern, and Mr. Dobbe. I suggest that after you all have had an opportunity to consider these various factors, that we meet to discuss them as it is impossible for me to include in this letter a complete treatment of the effect of the different suggestions and I can amplify the various points at that time.

Very truly yours,

John C. Stenitt

JCS/ms

cc: Mr. Cyrus H. Adams
Mr. Louis C. Huck
Mr. Albert M. Stern.
Mr. Frank Dobbe

[fol. 1109]

HARNESS, DICKEY & PIERCE
ATTORNEYS AND COUNSELLORS
GENERAL MOTORS BUILDING
DETROIT

J. KING HARNESS
ARTHUR W. DICKEY
PAUL F. SEIBOLD
CYRUS G. MINNLER
JOHN D. SCOFIELD
JOHN A. BLAIR
JOHN C. STERRITT
JOHN C. L. COWEN
DON K. HARNESS
ROBERT L. BOYNTON
JOHN L. STOUGHTON
JAMES V. SHERIDAN
EDWARD R. CASSELMAN
JOHN V. SOBESKY
PATENT SOLICITORS

HODGSON S[illegible]RCE
1927-1947
THOMAS J. NIENHAUS
1931 1948

TRINITY 5-2300
CABLE ADDRESS
"HARNESS"

February 21, 1951

Mr. Louis C. Huck
Huck Manufacturing Co.
141 West Jackson Boulevard
Chicago 4, Illinois

Dear Mr. Huck:

Attached hereto are two copies of a memorandum that I have prepared regarding the Huck lockbolt patent situation. This memorandum is to summarize the various points that we have previously discussed in connection with these patents and the possible steps that might be taken to control Huck's exclusive position.

I will be glad to amplify or clarify any parts of the memorandum that you might wish. I believe that it might help us to crystalize our thoughts in preparation for the meeting with the Townsend people.

I will also send two copies of this memorandum to Mr. Armour.

Very truly yours,

John C. Stendt

JCS/ms
Encl.

513

J 2961

[fol. 1110] HUCK LOCKBOLT PATENT COVERAGE

The purpose of this memorandum is to summarize various factors involved in the Huck Lockbolt patent situation, and to set forth the effects of various steps that might be taken to maintain or control Huck's exclusive position.

Huck Patents Relating To Lockbolts

Huck owns five patents relating to its lockbolt constructions or the methods of using them.

Re-issue Patent No. 22,792 (Expires November 24, 1953) has method claims 38 to 42 inclusive which cover the method of setting the lockbolt. This patent would only be infringed by a user of the lockbolt and not by a manufacturer of the lockbolt components.

Patent No. 2,114,493 (Expires April 19, 1955) has three claims; namely, 10, 11, and 12, which are pertinent to the lockbolt coverage. This patent discloses a blind rivet and one of the limitations in the claims requires a *tubular portion* having a head at one end. Except for this reference to "a tubular portion" these claims would read directly on your lockbolt collar. I feel that these claims could reasonably be construed, under the doctrine of equivalence, to cover your lockbolt collar, because the reference to the tubular portion is really superfluous so far as defining the real invention that is disclosed in this patent. While this might be questionable, I feel that in the event this question were litigated, we would have a good chance of having this position sustained.

Recently issued Patents, No. 2,531,048 and No. 2,531,049, disclose and claim your lockbolt construction and claim a fastener for use in attaching together a plurality of members [fol. 1111] in which the pin is combined with the collar. These patents will expire November 21, 1967. They would be infringed by one who uses the lockbolt elements in applying them to the parts being held together, and they would not be directly infringed by one who manufactures the separate components and does not put them together. It is questionable whether an action could be maintained against one who only manufactured the components. However, there is a possibility that such an action could be maintained if it could be shown that such a component

manufacturer actually did use the elements in combination, as he might well do in his shop for demonstration purposes. To that extent the same thing may be true of re-issue Patent No. 22,792.

Huck Patent No. 2,527,307 has a claim directed to the method of setting a fastener where a plurality of successive grips and pulls are taken. This patent expires October 24, 1967. It would be directly infringed by a user following this method, but would not be infringed by a manufacturer of component parts. However, an action might be maintained on it if the method were used for demonstration or sales purposes by the manufacturer, as suggested above.

Steps That Have Already Been Taken To Notify The Public

1. The products that are manufactured and sold by Huck are marked with the patent numbers.

2. Letter notices of Huck's patent coverage have been sent to users, such as Wright-Patternson Air Base, Convair, Fairchild, and thirteen trailer manufacturers.

Present Business

At present most of the business is for the government in the aircraft field although there is some private commercial business which is developing.

[fol. 1112] Government Field

The authorities of Wright-Patterson Air Base have indicated that they will require two sources for all of their products. Under 28 U.S.C. 1698, the government may use any patent and acquire products from any sources without the patentee's permission, and the patentee's only recourse is by suit against the government in the Court of Claims to recover his entire and reasonable compensation for use of his patented product. The manufacturer or user of the infringing product cannot be sued or enjoined for the patent infringement, whether he be a prime or sub-contractor for the government, where the product he supplies ultimately goes to the government.

The government contracts usually require the contractor

to hold the government harmless for patent infringement, but that is a matter between them, and in the event of recovery against the government by the patentee, the government can go back to the contractor and collect. However, in practice that makes the contractor wary of patent infringement because he may have a substantial claim against him some years later, and contractors usually try to clear up their patent matters to avoid this future risk. But, the contractors and sub-contractors for the government can, under the law, refuse to recognize any patents and leave the patentee to his remedy against the government.

Private Commercial Field

In the private commercial field, action for infringement is directly against the infringer and damages may be recovered and injunctive relief may be obtained.

What Steps May Be Taken and Their Effect

1. Direct action may be taken against any infringer wherever possible by patent infringement suits. This [fol. 1113] would be the most direct and positive way of establishing or resolving Huck's exclusive position. Such as action is expensive both from the standpoint of attorney's fees and distraction of key personnel from their primary manufacturing and sales functions. While it is difficult to predict the cost in dollars of a hard-fought patent suit, by way of a general estimate, it would probably run $50,000 to $75,000. The distraction of certain of the key personnel is probably the most costly factor to the company because the preparation and trial of the case would require the time of these men over a considerable period.

Perhaps the biggest danger in such direct action is the risk of losing the patent infringement suit. I do not mean by this that I consider the Huck patents weak ones, because on the information that I have, I believe that they are valid within the scope of the claims. However, this risk is always a substantial one in patent litigation and the tendency of the courts is to be quite strict against the patentee. The effect of losing the patent suit would, of course, be a loss of the monopoly covering the lockbolt.

In determining whether a suit for patent infringement

should be brought, the question of laches must be considered. This is a proposition which requires a patentee to act promptly and assert any claim for infringement which he knowns about without unreasonable delay. If he fails to assert his patents and an infringer is led to believe that he doesn't intend to assert his patent rights, and as a result of that delay makes expenditures in enlarging or developing his business, the patentee may lose his patent rights, at least to the extent of being unable to recover damages from that particular infringer. The length of time within which a suit must be brought after knowledge of [fol. 1114] the infringement varies considerably in the reported cases and depends upon the particular circumstance in each case. In the case of Huck, I do not believe that we could safely delay for more than two years in bringing suit from the time of knowledge on our part that the patents are being infringed. Reports from the field on what a particular manufacturer intends to do would not be the basis of such knowledge, but are mere matters of rumor and speculation. There would be no infringement until a manufacturer actually manufactured and sold, or used, devices covered by the patents.

2. With this matter of laches in mind, another step that might be taken would be to grant the government a free license for the period of the present defense emergency, such license to be along the lines of the one that I have prepared, and be limited in time. This would relieve Huck of any charge of laches that might be made against it for that period, and to the extent of products manufactured for the government (Esnault-Pelteris v. Chance Vought Corporation, No. 4842, 56 F. (2d) 407). But with respect to the private commercial field, such a license to the government would not relieve Huck of the charge of laches to that extent.

It is also pointed out that such a free license to the government would not reflect to strengthen the patent on the basis of recognition by the industry.

Giving a free license would have the effect of releasing the government from any claims under the above referred to statute. With such a license the government might be encouraged to set up other manufacturing sources. However, it can do that now without the license and assume

the risk of being sued in the Court of Claims. (The government does this in vital instances, for example, the contracts to K.F. to build Fairchild cargo planes).

[fol. 1115] 3. Another step, and perhaps the most complicated one that might be taken, is to license either the owners or the manufacturers of the component parts. Licensing the users, such as the aircraft and trailer manufacturers, is probably too complicated a procedure to follow because of the large number of such people, and it would be difficult to set up and police. I believe that this suggestion can be eliminated from consideration because of the impracticability.

To license a manufacturer of the component parts would be practical from a set up and policing standpoint. It has more complications in other respects which will be discussed below.

One of the effects of licensing the manufacturer would be to eliminate the expenses and risks outlined in 1 above. It would tend to strengthen the patents by recognition. It would provide income from royalties and give Huck a competitive advantage to the extent of the royalties. The tax situation may effect the value of this last point.

If a license were granted to a manufacturer, it would be granted to someone either now in the business or to a new manufacturer. If it were granted to someone not now in the business, Huck would probably have to father the enterprise by teaching the licensees all of its know-how and give the new manufacturer the benefit of all of Huck's experience accumulated over the years. Under such circumstances Huck would probably also have to accept some responsibility for the product. These factors would be eliminated if someone who is already in the business were licensed.

The granting of a license would have the effect of diluting the exclusive advantages to Huck and might result in reducing the price, unless the license provides for price [fol. 1116] maintenance. This problem of fixing prices is a rather delicate one because of our anti-trust laws. Patentees may still fix the prices of their patented products under the doctrine set out in U.S. v. General Electric (272 U.S. 476) and U.S. v. Line Material Company (333 U.S. 287-363). The Line Material case is the most recent pro-

nouncement of the Supreme Court on this point and the court did not overrule the General Electric case. However, it was a close question because four judges wanted to overrule General Electric and four refused to do so, so that the doctrine still stands. If a license were entered into with a price fixing requirement, it should be kept in mind that the Supreme Court might hold such a contract invalid, although the law as it stands today permits it.

Also, in a license with a price fixing clause, the licensee may contest the validity of the patents. This would arise if the licensee refused to pay royalties and was sued by the licensor for recovery of the royalties. The licensee could contend, as a defense to his non-payment, that the patents were invalid.

If another were licensed under the Huck patent, the company would lose the advantage in a stock prospectus of being able to make the statement that the company was the exclusive manufacturer of a product. The value of being able to make such a statement can best be determined by advice from financial advisors. The company would still have the advantage of being able to state that it was manufacturing a patented product, and, if there was a licensee, there would be a settled condition in the field and the risks of costly litigation and of losing the patent monopoly would be eliminated, at least to the extent of the licensee.

[fol. 1117] A granting of licenses may have the effect of enlarging the use of the product due to the greater promotional activity of more than one company. The larger companies seem to like to have a choice of sources; and some of the large companies insist on it, for example, this is usual in the automotive industry.

If a manufacturer now in the business is not licensed, this manufacturer would be stimulated to avoid the patents by designing non-infringing devices. The patents in question are limited in scope because there are many prior types of fasteners. Given time, I believe that an alert manufacturer would succeed in designing non-infringing and yet competitive products.

To grant a license would probably satisfy the government's requirements of more than one source and limit those in the business to Huck and a licensee. While it might be possible at this time to license a manufacturer for

government use only, due to the present high demands, once the manufacturer is in business, he would be difficult to get out and would probably resist all such efforts even to the point of defying the patents. I believe that this would be equally true if such a manufacturer were only operating under a free license to the government for the emergency period.

These various points discussed above may be amplified and other factors added upon further consideration of this problem as it develops.

J. C. Sterritt.

February 21, 1951.

JCS/ms

[fol. 1118] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 28

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: May 5, 1954.

Subject: Discussion on Lockbolt Patent License

To: A. W. Armour

From: R. Looker

Copies: A. E. Benkert, F. A. Dobbe, H. Brilmyer, J. Orloff, A. Stern, J. Sterritt, P. Reynolds, File

The following is a quick resume of points relating to future discussion for a lockbolt license.

I. We should proceed with issuing a lockbolt license.

II. We should offer a lockbolt license to Townsend under the following general conditions:

A. That Townsend agree to manufacture and make available to industry lockbolts 5/16" in diameter through at least 5/8". (1/2 → Research on 5/8 to be done later.

B. That lockbolts be manufactured and distributed by Townsend—not Cherry.
C. That lockbolts and collars be suitably identified to prevent field mixing.
D. That the license be cancellable if Townsend inferior quality hurts Huck.
E. That Huck give Townsend manufacturing drawings and specifications for lockbolts and collars.
F. License to be non-exclusive.
G. Royalties. Commercial business-7-½%. Aircraft-5%.
H. That we should determine Townsend's machinery and equipment now available for lockbolt manufacture on through ⅝" in diamtetr.

III. Points not fully discussed.

A. Should Townsend sell Huckbolts.
B. Price maintenance provisons.
C. Minimum royalties.
D. Improvements. (Clause)
E. Termination. (Life of patent)
F. Favored license clause.
G.

Very best regards, R. Looker.

RL:rm

Meeting John Sterritt 5-6-54.

[fol. 1119] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 30

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: June 23, 1954

Subject: Townsend Company

To: A. W. Armour and A. E. Benkert

From: R. Looker

Copies: Sterritt, File

As you know, I met with John Sterritt Tuesday last to discuss the Townsend and Illinois Tool agreements. John's final draft of June 22 on the Townsend agreement appears to be the final draft and he will be ready to send same along to Johnson just as soon as he gets concurrence from us.

I have read the agreement over and it appears to be very good and most favorable for both Townsend and Huck. If we may have your concurrence, we would like to proceed.

Very best regards, R. Looker.

RL:rm

Attention of: J. C. S.

Received Jun 25 1954, Harness, Dickey & Pierce, Detroit, Mich.

[fol. 1120] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 33

Filed September 20 1954, Paul P. O'Brien, Clerk.

[Seal] A True copy, Attest: Feb 4, 1963, Frank H. Smith,

George B. White, 712 Grant Building, 1095 Market Street, San Francisco 3, California. Telephone: Market 1-7065.

Mason & Graham, Collins Mason, 811 West Seventh Street, Los Angeles 17, California, Telephone: VAndike 2184, Attorneys for Appellant.

UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

No. 13943

TOWNSEND COMPANY, Appellant,

vs.

HUCK MANUFACTURING COMPANY, Appellee.

Stipulation To Dismiss

Appellant and Appellee in the above entitled appeal, by their respective attorneys, hereby agree and stipulate that the above appeal be dismissed without costs to either party, both with respect to Appeal costs and District Court costs, and that the Hon. Clerk of the above Court enter the above appeal dismissed.

Dated: September 17, 1954.

Harness, Dickey & Pierce John C. Sterritt, Lyon & Lyon.

By William W. Dickey John C. Sterritt Attorneys for Appellee.

George B. White, Mason & Graham.

By George B. White, Attorneys for Appellant.

[fol. 1121] No. 13943

TOWNSEND COMPANY, Appellant,

vs.

HUCK MANUFACTURING COMPANY, Appellee.

I, Frank H. Schmid, as Clerk of the United States Court of Appeals for the Ninth Circuit, do hereby certify pursuant to the foregoing stipulation to dismiss appeal and rule 14 of this Court the appeal in above cause was entered dismissed on the files of this Court, September 20, 1954.

Frank H. Schmid, Clerk.

[fol. 1122] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 34

cc: Armour, Benkert, C. Armour, Westrick, File.

April 20, 1956.

Mr. Paul Horst,
Assistant to the President,
The Townsend Company,
New Brighton, Pennsylvania.

Dear Paul:

I wish to thank you for the many courtesies extended during our very pleasant visit to New Brighton earlier this week. Your hospitality was certainly appreciated and we certainly appreciate the opportunity also of working with your organization more socially in some of our common problems.

There is one point just brought to my attention concerning the pricing of our aircraft Huckbolts which I think you might wish to look into. When we offer the aircraft Huckbolt for sale to the Navy Department, Bureau of Aeronautics, central purchasing in Philadelpria, we have a

packaging charge to package the parts in accordance with Government specifications. This is overseas type packing and is fairly detailed. You may have been or may be asked to do the same and our prices are 60¢ per box for the 3/16", 80¢ per box for the 1/4", $1.00 per box for the 5/16", and $1.20 per box for the 3/8".

For example, if they want the 1/4" aircraft Huckbolt, 100 pieces per box, we charge $8.00 per thousand extra; and if they want 25 pieces per box, we charge $32.00 per thousand extra.

Again many thanks for your hospitality.

Very sincerely yours. Huck Manufacturing Company,

Robert Looker, Vice President in Charge of Sales.

RL:mb

[fol. 1123] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 34A

HUCK MANUFACTURING COMPANY
Specialists in Cold Heading Riveting and
Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

cc: Armour✓, Benkert, C. Armour, Braund, Westrick, File.

April 20, 1956.

Mr. Paul Horst,
Assistant to the President,
The Townsend Company,
New Brighton, Pennsylvania.

Dear Paul:

I wish to thank you for the many courtesies extended during our very pleasant visit to New Brighton earlier this week. Your hospitality was certainly appreciated and

we certainly appreciate the opportunity also of working with your organization more socially in some of our common problems.

There is one point just brought to my attention concerning the pricing of our aircraft Huckbolts which I think you might wish to look into. When we offer the aircraft Huckbolt for sale to the Navy Department, Bureau of Aeronautics, central purchasing in Philadelphia, we have a packaging charge to package the parts in accordance with Government specifications. This is overseas type packing and is fairly detailed. You may have been or may be asked to do the same and our prices are 60¢ per box for the 3/16", 80¢ per box for the 1/4", $1.00 per box for the 5/16", and $1.20 per box for the 3/8".

For example, if they want the 1/4" aircraft Huckbolt, 100 pieces per box, we charge $8.00 per thousand extra; and if they want 25 pieces per box, we charge $32.00 per thousand extra.

Again many thanks for your hospitality.

Very sincerely yours, Huck Manufacturing Company,

Robert Looker, Vice President in Charge of Sales.

RL:mb

[fol. 1124] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 35

May 9, 1956.

Mr. Paul Horst,
Assistant to the President,
Townsend Company,
New Brighton, Pennsylvania.

Dear Paul:

We have a temporary condition where certain of our aircraft companies are using an electrofilm with collars and have no need for color anodizing with collar so treated. We hope to be able to kill this with our new lubricant which we are working on but for the interim period have established collar prices for the 2024 aluminum alloy both the present color anodized and nonanodized and both with and without electrofilm. A copy of this tabulation showing all of the possible variations is attached hereto, and we would like to ask that the prices be adhered to in accordance with our existing agreement.

The summary made is to prevent any misunderstanding which may exist.

Very best regards, Huck Manufacturing Company,

Robert Looker, Vice President in Charge of Sales.

RL:mb

Encl.

cc: Mr. Fred Dickerson, Mr. H. E. Chilcoat, Mr. Armour, Mr. Benkert, File✓

[fol. 1125]

Huckbolt 2024 Collar Prices

Effective April 9, 1956

		Under 1000	1 M 5 M	5 M 10 M	10 M 25 M	25 M 50 M	50 M 100 M	100 M & Over
LC–C6	Eastern	6.50	12.85	8.25	7.65	7.30	7.20	7.15
6LC–C6	Eastern Plain Anodized (No Color)	6.45	12.20	7.60	7.00	6.65	6.55	6.50
	Western	6.70	13.20	8.50	7.90	7.50	7.40	7.35
	Western & Electrofilm	7.60	14.10	9.40	8.80	8.40	8.10	8.15
	Western Plain Anodized (No Color)	6.65	12.55	7.85	7.20	6.85	6.75	6.70
	Western Plain Anodized & Electrofilm	7.55	13.45	8.75	8.10	7.75	7.45	7.40
LC–C8	Eastern	6.80	15.95	11.35	10.75	10.40	10.30	10.25
6LC–C8	Eastern Plain Anodized (No Color)	6.70	14.70	10.10	9.50	9.15	9.05	9.00
	Western	7.00	16.40	11.70	11.05	10.70	10.60	10.55
	Western & Electrofilm	8.25	17.65	12.95	12.30	11.95	11.60	11.55
	Western Plain Anodized (No Color)	6.90	15.15	10.40	9.80	9.40	9.30	9.25
	Western Plain Anodized & Electrofilm	8.15	16.40	11.65	11.05	10.65	10.30	10.25
LC–C10	Eastern	7.40	22.20	17.60	17.00	16.65	16.55	16.50
6LC–C10	Eastern Plain Anodized (No Color)	7.25	20.55	15.95	15.35	15.00	14.90	14.85
	Western	7.60	22.85	18.10	17.50	17.15	17.05	17.00
	Western & Electrofilm	10.05	25.30	20.55	19.95	19.60	19.05	19.00
	Western Plain Anodized (No Color)	7.45	21.15	16.45	15.80	15.45	15.35	15.30
	Western Plain Anodized & Electrofilm	9.90	23.60	18.90	18.25	17.90	17.35	17.30
LC–C12	Eastern	8.00	28.05	23.45	22.85	22.50	22.40	22.35
6LC–C12	Eastern Plain Anodized (No Color)	7.80	25.70	21.10	20.50	20.15	20.05	20.00
	Western	8.25	28.90	24.15	23.50	23.20	23.05	23.00
	Western & Electrofilm	11.80	32.45	27.70	27.05	26.75	26.60	26.55
	Western Plain Anodized (No Color)	8.05	26.45	21.75	21.10	20.75	20.65	20.60
	Western Plain Anodized & Electrofilm	11.60	30.00	25.30	24.65	24.30	24.20	24.15

[fol. 1126] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 36

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: May 11, 1956.

Subject: Lockheed, Marietta—Your Memo of May 10, 1956.

To: Mr. Westrick.

From: Robert Looker.

Copies: Armour, Benkert, DeLoach, Albritton, Pelletier, Braund and File√

In reply to the subject memo, I contacted Paul Horst on the matter of packaging and he has indicated to me that he will make it clearly understood to the Cherry Rivet Division immediately that they are to offer packaging to aircraft companies just exactly the way we offer packaging as expressed in the copy of your teletype to Mr. Luke on the first page of the subject memorandum. He indicated that it could be possible that some deviation from this expressed policy might have been made by the Cherry Rivet Division of Townsend in lieu of any better information but that the latest up-to-date information on packaging has been sent to Townsend and that we should hear no further from difficulties of this type.

I also brought up the deal mentioned on the second page for inter-company grouping, and he definitely agreed that this is something that would be completely out of the picture and that they would not allow and that he will make certain that the Cherry Rivet Division understands.

Many thanks for your very complete report. I do think that the situation is now in hand.

Very best regards, Robert Looker.

RL:mb

[fol. 1127] HUCK MANUFACTURING COMPANY
Departmental Correspondence.

Date: May 10, 1956.

Subject: Lockheed Aircraft Corporation, Marietta, Georgia.

To: R. Looker.

From: W. J. Westrick.

Copies: Mr. A. W. Armour, Mr. A. E. Benkert, Representative, Mr. Albritton, Mr. Pelletier, Mr. Braund.

Recently, Mr. H. Luke, Buyer at Lockheed, Marietta, requested quotations on several items of Aircraft Huckbolt Pins, Stumps and Collars of 3/16", 1/4", 5/16" and 3/8" Diameters packaged in quantities varying from 100, 200, 400, 500, 800 and 1,000 pieces each package. The total quantities of such items varied from 1,000 to 3,000,000 pieces and in no instance did the quantity desired exceed 1,000 pieces per package.

We teletyped Mr. Luke the following on 5/4/56:

> "At No Extra Cost, Packaging of Huckbolt Aircraft Pins Now Available to Customers Desiring Lighter and Smaller Quantity Packages Than Heretofore Bulk Packaging. Huckbolt Aircraft Pins Now Packaged in 30 Pounds Approximate Maximum Weight Packages. The Quantity of Each Package May Vary From 100 Pieces Minimum to 2,000 Pieces Maximum Per Package Because of Size and Weight Variations. Huckbolt Aircraft Collars Available in 10,000 Piece Maximum Packages on Less, Again Because of Weight and Size Variations. Customers Desiring Huck Packaging Should Indicate Their Desire in the Original Entry of Their Purchase Order Whether Entered by Telephone, Wire, Teletype, or any Other Means, Otherwise We Reserve the Option of Furnishing Either Bulk Packaging or Huck Packaging. Standard Approved Cartons For Domestic Package Shipment and Standard Huck Labels Will be Utilized. Huck Packaging Has Been Included on Your

Inquiries HL-1055 and HL-1067 and Our Applicable Quotations."

Signed: W. J. Westrick.

On 5/10/56 Mr. Luke telephoned us stating his dissatisfaction with our packaging policy as expressed in our teletype of 5/4/56. He stated that since receiving our teletype he called Townsend in on the problem and Townsend agreed to package in *any quantity* desired by Lockheed at no extra charge. Mr. Luke further stated that Townsend have been packaging collars in 1,000 piece packages as standard policy for quite some time.

[fol. 1128] In the same conversation we were approached with the idea of splitting orders with Townsend and applying the unit price as determined by their total requirement with the understanding that we would get 50% and Townsend 50% but each price to be based on the total quantity of the two orders.

Example: Let's assume Lockheed required 100,000 pieces ALPPH-T6-4. They would submit their inquiry for 100,000 pieces to Huck and Townsend and we would base our quoted price on 10,000 pieces. The order to us emanating from this quotation would be for only 50,000 pieces and they would expect the quoted 100,000 piece price. The balance of the 50,000 pieces would be ordered from Townsend on the same basis.

I asked Mr. Luke point blank if Townsend had proposed such a pricing policy. He was reluctant to answer directly and intimated that such was the case *but did not admit it directly.*

This memo will be followed by a long report from Frank DeLoach as Lockheed was in conference with Frank DeLoach for 3 hours on 5/9/56 at which time he was told about how hard it was to do business with Huck as compared to Townsend.

The writer did not make any comment on the packaging situation because of the seriousness of this matter, except to state that this was a Company policy which required further study.

Relative to the pricing policy, I informed Mr. Luke that

Huck was not a subsidiary of Townsend or vice versa and consequently could not group prices with Townsend or act in any other manner with Townsend which may be interpreted or inferenced as collusion.

Bob, this situation as expressed by Mr. Luke is very hot. Either he is giving us a long story and matching it to Townsend or else Townsend are propositioning Luke with ideas which he likes and which are not in our sales policies.

I recommend that you have this situation investigated at once to see just "what goes."

W.J.W. May 11, 1956.

WJW:et

[fol. 1129] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 37

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: May 21, 1956.

Subject: Lockheed, Marietta—Your May 9, 1956 Contact Report.

To: DeLoach.

From: Robert Looker.

Copies: Listed Below.

In reply to your memo of May 9, 1956, we will, of course, be very willing to write Hardy Luke a letter but would propose the following and ask that you review it and give it your comments before we actually send it along.

On packaging I do not believe we are as far apart as indicated. As you know, we have some 3/8" steel aircraft Huckbolts that weigh up to 100 pounds per thousand, and in order to keep the 30 pound maximum, we must some times go beneath the 1000 increment. Additionally, we ask for the privilege of shipping in 100 piece increments

in case the situation arises where Lockheed wants some fasteners which we have on the shelf but already packaged in 100 pieces per box. It would mean that this would not create any problem on the part of Lockheed, and we would like to ask for a continuation of this privilege.

The 30 pound maximum per box figure was arrived at in a negotiation with Lockheed, Burbank, and our entire fastener packaging program is built around this 30 pound maximum. To change to 20 pounds maximum per package would create an extreme hardship on our Production Department, and we would like to negotiate this with Hardy giving us the maximum of 30 pounds.

Just between us two, Cherry will go along with our identical policy so it might be necessary to hold Luke's hand for a week or so until he gets the full story out of Cherry.

On quotations when we quote one week after receipt of order, that means shipping date from our factory. The one week can mean either from stock or from materials which are just going into stock that is coming through plating and lubrication, etc.

When we say one week we mean that to be a maximum figure if it is in stock and we understand that Cherry takes a week to get their orders through in paper work, and consequently cannot do any better. If Cherry quotes stock they will make shipments in probably about one week after they get the order.

The matter of behind schedule orders and the prepaid air shipment will have to be taken under advisement before we can give you any clue on what attitude we might have. First I am going to get in touch with the Townsend Company and determine if this can be stopped which will [fol. 1130] save us both a lot of money. In lieu of having any prepaid freight system in effect now, I do not believe there is a place for either Cherry or Huck to ship a late order via air express prepaid, but, of course, we must act together on this matter.

I have already taken the matter of split quantities up with Townsend and they will not go along with the deal, neither will we, of splitting quantities with two vendors and asking for the lowest price from each.

I would like to ask that you give consideration to the

following stands which I would propose with Lockheed, Marietta, and give us your reply very soon so that we can get the letter out.

I will take up the matter of the SAL tests specimens with you in a separate memorandum and George Van Hecke has been asked to handle the nose assembly requests.

Very best regards, Robert Looker.

RL:mb

cc: Armour, C. Armour, Benkert, Brilmyer, Albritton, Murphy, Pelletier, Westrick, File √

[fol. 1131] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 38

July 3, 1956.

Mr. Paul Horst, President,
Townsend Company,
New Brighton, Pennsylvania.

Dear Paul:

I understand from our Atlanta representative that your Cherry Division offers prepaid premium shipments when they are behind schedule which is a little stiff competition and gives them a competitive edge which we do not enjoy.

I wondered if you would look into this in view of our price equalization agreement.

Very sincerely yours, Huck Manufacturing Company,
Robert Looker.

RL:mb

cc: Armour, C. Armour, Benkert, F. DeLoach, File.

[fol. 1132] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 39

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date July 3, 1956.

Subject: Lockheed, Marietta—Your Memo of June 16, 1956.

To: Frank DeLoach.

From: Robert Looker.

Copies: Armour, C. Armour, Benkert and File✓

In reply to your subject memorandum, I first want to thank you for the very complete comprehensive report on the request of Hardy Luke and your analysis.

We have gone back to the Townsend Company asking them to stop their premium shipments for behind schedule orders and this should be cleared up very shortly.

The last sentence of your memorandum read "If I might be of further service to you please notify me."

I think the thing to do here is to try to keep on the best side of Hardy Luke by any and all means that are possible and ethical.

I am sure you can do it and that we will hold the business you have gained so painfully.

Very best regards, Robert Looker.

RL:mb

[fol. 1133] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 40

July 3, 1956.

Mr. Paul Horst,
Assistant to the President,
Townsend Company,
New Brighton, Pennsylvania.

Dear Paul:

Our Buffalo representative reports that you have permitted grouping of non-standard commercial Huckbolts (about grip 23 or 24) with short standard grips. This report comes from a Mr. Stutz, Shop Superintendent of Niagra Blower Company.

We only permit grouping of the part numbers shown in the price list and we would like to ask that you do likewise.

Could we hear from you in this regard.

Very sincerely yours, Huck Manufacturing Company,
Robert Looker.

RL:mb

cc: Armour, C. Armour, Benkert, Mathews, Egnot, File.

[fol. 1134] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 41

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date December 12, 1955.

Subject: Freight Equalization.

To: Mr. A. E. Benkert.

From: R. Looker.

Copies: Armour, Mathews, Pelletier, File√.

Further to my memorandum of November 17, 1955, on the above subject, I called Paul Horst this AM, and he confirmed that Townsend Company, is willing to proceed on a Freight Equalization basis, and that he will confirm this by letter sometime later this week.

Consequently, our burden, therefore, is to set up a Freight Department as stated in the memorandum of November 17, and place this plan into effect at the earliest date. I told Paul Horst that, pending the review of this matter by our superiors, we would shoot for the 1st of March for the effective set up of Freight Equalization with New Brighton, giving the Townsend Company the privilege of equalizing freight with Detroit for Commercial Huckbolts.

Very best regards, Robert Looker.

RL:by

[fol. 1135] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 42

December 27, 1955.

Mr. H. E. Chilcoat,
Vice President & General Sales Manager,
Cherry Rivet Division,
The Townsend Company,
Santa Ana, California.

Dear Mr. Chilcoat:

I would like to thank you for the many courtesies extended to Milt Miner and to myself during our very pleasant visit with you last week.

The matter of Huckbolt price maintenance and shipping point is, of course, being given further consideration here, although no mutually acceptable decision has been reached.

If you recall I told you about a report from our Fort Worth, Texas, representative, Mr. Charles O. Unfried, relative to the activities of the Standard Parts & Equipment Company of Fort Worth, on the Lockbolt sale in that area.

The memorandum which I mentioned will be paraphrased as follows:

Mr. Unfried reports that Standard Parts & Equipment Company have adopted the policy of quoting unit price lower than Huck, but not to the extent that the delivered price is lower than Huck. If this is true, I believe that they are operating outside of the terms of our agreement, which is that The Townsend Company will sell Lockbolts, F.O.B. Santa Ana, California, or F.O.B. New Brighton, Pennsylvania, at published list prices and not at prices lower than published list.

We also understand that Standard Parts & Equipment Company have informed all major airframe manufacturers in the Texas and Oklahoma area that they were going to stock Lockbolts and collars, and have them available for immediate delivery, and that they promised to have such stock in operation by January, 1956.

I believe that this is outside of the frame work of your plans as indicated to me during our meeting.

[fol. 1136] Insofar as the lower prices are concerned, I will quote directly from Mr. Unfried's memorandum to me.

> "Cherry is quoting a lower price for the Lockbolts than Huck on all quotations. However, the freight point listed on both are F.O.B., each plant. The freight is more from California than it is from Detroit, which makes the delivered price about the same, but the buyers can justify giving the orders to Cherry, at a lower cost, accordingly to the quotation. This one point is being pressed by SP & E to all buyers, as a reason to give them the orders along with the local stock deliveries".

I sincerely hope that you take an early opportunity to look into the above mentioned situation, as it appears to be serious to us, and one which should be corrected, if need be.

Again many thanks for the many courtesies extended during our pleasant meeting.

Very sincerely yours, Huck Manufacturing Company, Robert Looker, Vice President in Charge of Sales.

RL/by

cc: Armour, Benkert, Miner, Unfried, File.

[fol. 1137] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 43

Mr. Armour, A. W. A. III, February 2, 1956

TOWNSEND COMPANY
New Brighton, Pennsylvania

January 20, 1956.

Mr. Robert Looker,
Vice President in Charge of Sales,
Huck Manufacturing Company,
2840 Bellevue Avenue,
Detroit 7, Michigan,

Dear Bob:

I apologize for not replying at an earlier date to your letter of December 27. The fact is that I have been out of town most of the time for the past several weeks.

Essentially this will confirm what I stated to you when you were here regarding Standard Parts & Equipment at Fort Worth. You have quoted Mr. Unfried's report that "Standard Parts & Equipment Company have adopted the policy of quoting unit price lower than Huck but not to the extent that the delivered price is lower than Huck." May I emphasize that Standard Parts is not at liberty to adopt any policy that in the slightest degree conflicts with the policy of the Townsend Company. Our policy under the terms of the License Agreement is to quote unit prices exactly in accordance with your published prices f.o.b. Santa Ana or New Brighton with freight equalized with Detroit or Los Angeles, depending upon destination. As you can see, this must result in a delivered price identical with your delivered price.

Standard Parts has been our distributor for many years and our experience has been that they operate uniformly in accordance with our policies on all products they handle for us. As to stocking, it is my understanding that we have [fol. 1138] made no commitments as to where we may eventually stock pins and collars, but up to now Standard Parts

has carried no stock. In fact, their sales to date of both pins and collars have been negligible.

We enjoyed your visit here and will look forward to seeing you again any time you are in this area.

Very truly ours, Townsend Company, H. E. Chilcoat, Vice President.

HEC:mp

[fol. 1139] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 44

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date December 27, 1955.

Subject: Freight Equalization with the Townsend Company.

To: Mr. Armour.

Copies: Messrs. Benkert, Mathews, Pelletier, Reynolds and File.

From: Robert Looker.

Paul Horst called me yesterday, December 21, to advise that Dickinson is still holding out for prepaid freight, and that he does not feel that freight equalization is a basis for a satisfactory solution to the freight problem. I believe that this subject has become now important enough to us to necessitate a meeting with Mr. Dickinson, himself, so that we can arrive at some suitable arrangement.

He will, of course, go along with the freight equalization for the balance of the two year period, for we are in a position, of course, to dictate his actions during that time.

I suggest that we make this a topic of discussion during one of your early trips to Detroit.

Very sincerely yours, Robert Looker.

RL:mb

[fol. 1140] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 45

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date March 1. 1956.

Subject: Visit From The Townsend Company—Mr. Paul Horst and Mr. George Bentley.

To: Mr. Armour.

From: Robert Looker.

Copies: Messrs. Benkert, Pelletier and File.

This memorandum will confirm certain points discussed during our meeting with Paul Horst and George Bentley of the Townsend Company, Wednesday, February 8, 1956.

At that meeting we reiterated the fact that we thought that prepaid freight on Huckbolts is a complete waste of money and that if there were any freight difficulties between Huck and Townsend, we should reserve the right to equalize freight with each other and not go to freight allowances or prepaid freight.

I believe that Dickinson feels that the freight allowance or prepaid freight is necessary to sell Lockbolts but we made the very strong claim that it is not and witnessed of present sales and rate of growth as firm reasons why it is not.

Paul Horst, on the other hand, I believe, believes in freight equalization; and I sincerely hope he will take this story back to Dickinson so that we can get a decision at an early date.

Very best regards, Robert Looker.

RL:mb

It was agreed to go along as we are at present—.

[fol. 1141] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 47

HUCK MANUFACTURING COMPANY
Departmental Correspondence

April 4, 1956.

Subject: Trip Itinerary.

To: Mr. Benkert.

From: Robert Looker.

Copies: Armour, Mathews and File.

George Mathews and I are planning to meet with Paul Horst and Mr. Wade Briceland, the Townsend Traffic Department Manager, on April 16 and Apri 17 if necessary in order to thrash out the details of freight equalization for a mutually acceptable proposal.

We will be at the Roosevelt Hotel on the evening of April 16.

Very best regards, Robert Looker.

RL:mb

[fol. 1142] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 48

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: October 15, 1954.

Subject: Townsend Company—Conference of October 14.

To: A. W. Armour.

From: R. Looker.

Copies: Benkert, Pelletier, Sterritt, File.

One major point was brought up during our marketing conference with Townsend October 14, and that is concerning prices for specials. We will have to establish some type of pricing policy for items for which there is no established list price so that we do not find ourselves in the position of quoting on a special wherein Townsend is also quoting on a special at a lower price.

During our discussion, the point was made that our license did not include the stump and that if the stump were to be included, a separate license would have to be written based upon know-how. I would like to suggest that we proceed immediately with this license and I do believe that Townsend would be willing to have the second license included so that they could have a rounded line such as ours, making the same parts and insuring our complete cooperation for the entire line. (Yes.)

Very best regards, R. Looker.

RL:rm

[fol. 1143] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 50

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: February 15, 1955

Subject: AL-ALS Price Increase

To: All Product Engineers

From: M. E. Welch, Jr.

Copies: Armour, Benkert, Benard, Looker,✓ Mathews, Pelletier, Cianfarani, Serra, Welch, Westrick, Higgins, Smoot Van Hecke, Rowse, Vercellone, Dobbe, File.

Attached is copy of letter sent to all customers regarding the 9% AL-ALS price increase.

While customers and all Product Engineers will be supplied with new price sheets as soon as printed, the old sheets may be used in the meantime by adding 9% to the charges therein.

Very best regards, M. E. Welch, Jr.

MEW:by

To: Adams, Jones, Miller, Clute, DeLoach, Corry, Frescoln, Hanneman, Houston, Hunt, Martin, Mather, Miner, Myrick, Crook, Huegin, Morgan-3, Buehring, Sarno, Proffitt-2, Salogga, Strothen, Thomson, Gillespie, Thone, Turney, Upton, Unfried, Villacres, Wilgus.

[fol. 1144] HUCK MANUFACTURING COMPANY
2480 Bellevue Avenue
Detroit 7, Michigan

February 10, 1955.

Specimen of Letter to all Customers Re, al—Als Price Increase

Metal Fabricators, Inc.
3000 Main Street
Big Town, U. S. A.

Attention: Mr. John Doe, Purchasing Agent

Because of your patronage and generous use of our Huckbolt and Huckbolt Stumps during the past four years, we have been able to offset increased labor, material and operating expenses by increased production of the parts and consequent production efficiencies and economies.

We do find it necessary, however, at this time to increase the price of our Aircraft Huckbolt Pins and Aircraft Huckbolt Stumps nine per cent to cover cost increases not otherwise amortized during the past years. The price change herein announced will be placed into effect February 15, 1955, and a new printed price list will be sent to you under separate cover in the near future. Please note that the price for the Huckbolt Collars is unchanged.

Thanking you for your many courtesies, we remain

Very truly yours, Huck Manufacturing Company,
Robert Looker, Vice President in Charge of Sales.

RL:ch

[fol. 1145] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 51

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date March 25, 1955.

Subject: Commercial Huckbolt Price Increase Effective April 1, 1955.

To: All Product Engineers

From: M. E. Welch, Jr.

Copies: Armour, Benkert, Bernard, Ciafarani, Dobbe, Van Hecke, Looker, Mathews, Pelletier, Sierra, Welch, Westrick(4), Moran Hubert, File✓

No later than March 31, 1955, a mailing (see copy of transmittal letter attached) is being released to all customers announcing a Commercial Huckbolt price increase effective April 1, 1955.

Complete newly printed price sheets will accompany the mailing , and a set punched for catalog insertion will at the same time be sent to every Product Engineer.

The price increase will affect Commercial Huckbolt Pins only, exclusive of Collars. *Collar prices remain unchanged.* The increase on the Pins which will amount to 15% with the exception of non-hole filling steel Pins which will be increased 11% in the 3/16" diameter, 9% in the 1/4", 15% in the 5/16", and 7% in the 3/8".

An initial supply of the new price sheets will of course be shipped to every Product Engineer as soon as they are off the press and additional quantities will remain available upon request.

In considering reasons for the increase, the following factors are pertinent:

1. Material expense (aluminum) has increased 31% since the last CL price raise, which was effective December 15, 1950.

2. The cost of raw material for the steel Pins has increased 30%.
3. Labor costs have increased 26½%.
4. A substantial decrease since the above date has been effected by adding grouping privileges to the policy —this was not previously permitted.
5. Since 1950 we have lowered the prices in the small quantities.
6. Grouping privileges are being continued even in the new prices.

[fol. 1146] CL price increase,
Effective April 1, 1955

The 15% (or less) does not pass on the greater proportion of the added material and labor costs. Higher sales volume, improved manufacturing procedures and general administrative economies have all contributed in absorbing the lion's share of the numerous costs that are beyond the control of any management.

Our customers have, in most cases, raised prices of their respective end products in a ratio far exceeding ours. Your own business experience will indicate that the above changes in production cost push our price increase into the far overdue category. While it is realized that some of the accounts will require reselling, no general adverse results are expected, and the usual splendid support of every Product Engineer is requested in this very necessary price revision.

Very best regards, M. E. Welch, Jr.

MEW:rm

To: Adams, Jones, Miller, Bivens & Hunt, Clute, DeLoach, Egnot, Frescoln, Hanneman, Houston, Mather, Messer, Miner, Crook, Huegin, Morgan (3), Buehring, Sarno, Myrick, Proffitt (2), Rufi, Salogga, Sintes Sales Engineers, Stockton, Strother, Thomson, Gillespie, Thone, Turney & Upton, Unfried, Villacres.

[fol. 1147] HUCK MANUFACTURING COMPANY
2480 Belleyue Avenue
Detroit, Michigan

March 30, 1955.

Dear Sir:

Your kind patronage and generous use has enabled us to "hold the line" on the basic price structure for Commercial Huckbolts since December, 1950. Rather than increase prices, increased production has allowed us to decrease prices for small quantities and give you a price benefit on groups of standard parts.

However, in the past four years our costs have increased 26½‰ for labor, 31% for aluminum and 30% for steel so that we now find it necessary to establish a new price structure for the Commercial Huckbolt.

The enclosed price list is effective April 1, 1955. As you will note, there is no change in the price for the Huckbolt Collars.

Thanking you for your many courtesies, we remain

Yours for better fastening, Robert Looker Vice President in charge of Sales.

RL/mh

[fol. 1148] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 52

HUCK MANUFACTURING COMPANY
Departmental Correspondence

October 3, 1955

Subject: Price Increase.

To: All Engineering Representatives.

From: Robert Looker

Copies: Armour, Benkert, Pelletier, Westrick, Welch, Matthews, Serro, Murphy, Fielder, File✓

Please be advised that effective October 1, 1955, prices for Huck products as shown are increased according to the tabulation listed:

Product	Increase
CKL	Plus 10%
OS-OSR	Plus 10%
Deutsch Aircraft Rivet	
1250 to 7499 pieces	Plus 5%
7500 and over	Plus 12%
PT and HR Rivets	
100,000 pieces quantity	Plus 10%
CL Pins	Plus 8%
CL Collars (LC-F, LC-I & 2LC-R)	Plus 10%
AL Steel 3/16 & 1/4" dias.	Plus 5%
5/16 & 3/8" dias.	Plus 20%
Aluminum	
5/32", 3/16" & 1/4" dias.	Plus 10%
5/16" & 3/8" dias.	Plus 20%
ALS	Plus 20%
SAL 3/16" & 1/4" dias.	Plus 5%
5/16 & 3/8" dias.	Plus 20%
SLS	Plus 20%

BL cost studies are not yet complete. Price increase, if necessary, will be answered at a later date.

9SP No change

The price increases noted as explained to you at our Sales Meeting are necessary for the purpose of recuperating substantial material and labor increases and for the purpose of fixing an adequate price in order to make a reasonable profit for those items which we found were priced out of line with our operating cost.

Complete new price lists for all Huck products shown above, with exception of the Blind Huckbolt, have been printed and sent to customers on the basis that the customers using a certain product were given a new price list for that product.

[fol. 1149] Unfortunately, we have located the following described errors in the price list printed and in each case the catalog is being reprinted and will be sent out to customers by the end of this week with the proper information shown. For the SAL Western price list, the price for the 5/16" and 3/8" dia. are wrong. On the Eastern SAL price list the prices for SALP-T6 are wrong for the 100,000 piece quantity. The Eastern Commercial Huckbolt list does not show prices for the C12. The Deutsch price list shows a head style inversion on the inside cover at the bottom of the page.

Distribution copies will be sent to each Representative by the end of this week for future sales effort. Please destroy all copies of price lists which are superseded by the new list printed and sent to you October 1, as we do not want to find occasion of our erroneously quoting the wrong price under any circumstances. The new price lists are marked effective October 1 and in the cases where corrections were found necessary a "Revision A" is printed just under the effective date diamond.

If you have any questions on any of these, please contact the writer immediately.

Very sincerely yours, Robert Looker.

RL:mb

To: Adams, Bivens & Hunt, LeLoach, Hellyer, Siers, Messer, Huegin, Myrick, Strother, Gillespie, Unfried, Jones, Clute, Egnot, Houston, Larrabee, Miner, Limbeson, Proffitt, Salogga, Turney, Villacres, Miller, Darling, Hanneman, Crane, Mather, Crook, Morgan, Rufi, Thomson, Upton.

[fol. 1150] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 53

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: April 6, 1956

Subject: Price Increases.

To: All Engineering Representatives.

From: Robert Looker.

Copies: Those Listed Below.

This memo is to advise that, effective April 9, 1956, we are putting into effect a price increase for all Huckbolts, BL, OS and CKL.

The price increase will effect new orders received April 9, 1956, and thereafter except for orders for materials based upon price quotations still in effect, in which case the quoted prices will govern as long as the order is received within the time permitted on the quotation.

Each recipient of this memo will be put in the role of having to defend Huck's position in this regard, and we are providing this memo to give each of you the ammunition you will need in future discussions.

From an overall standpoint keep the following foremost in your thoughts:

1. This price increase is justified, is needed, and is essential to the continuation of Huck as an industrial fastener supplier.
2. The price changes we have made in the past to try to keep up with increased costs of doing business have not been sufficient to allow us a normal profit margin. They have been held down in deference to our customers with the expectations that further manufacturing efficiencies would allow us a proper profit margin. Production efficiencies, of course, have played a major part in keeping prices down, but not to the extent hoped.

3. There has been substantial "creep" in the costs of doing business since our last price increase. The creep is made up of increased costs of:

   a. Materials
   b. Supplies
   c. Perishable tooling, heading and rolling dies, etc.
   d. Direct labor and indirect labor. Our new labor contract has increased our costs of doing business considerably.
   e. Plating, heat treating and anodizing.

There will, in some cases, be substantial complaint on the part of many buyers. Please bear in mind that good buyers are trying to save their employers money and their success is, to a great measure, measured by the amount of money they can save. It will be up to each of you to convince these buyers that the increase is needed and is justified. Keep in mind that the installed cost is much lower in most cases. [fol. 1151] If a buyer uses this price increase to try to get our products thrown out, go back to your original sales arguments on installed cost, better quality, simplified designs, etc.

During the next two months you will have many such "fires" to put out, and we expect your 100% success. If you have more than you can handle, please call in George Mathews or myself for assistance.

Above all, do not take the attitude that this increase is something that the company has done beyond your control, agreeing with the buyer that we are robbers. We are not and are only asking for a fair normal return on the business we do. You are a part of the company and will be expected to defend our position to the best of your ability.

Revised price lists are being sent to each customer effected and to you. Please destroy old AL, SAL, ALS, SLS, CL, BL, OS and CKL price lists. A copy of the covering letter for the price change is attached hereto.

Very best regards, Robert Looker.

RL:mb

To: Adams, Black, Jones, Miller, Hunt, Glute, Darling, DeLoach, Dobbe, Egnot, Gillespie, Hanneman, Houston, Siers, Larrabee, Mather, Messer, Miner, Brackeen, Crook,

Huegin, Morgan, Limbeson, Myrick, Proffitt, Rufi, Salogga, Strother, Thomson, Unfried, Upton, Villacres, Walsh, Wild, Bortner, Steel, Perran.

cc: Armour, Benkert, Braund, Westrick, Welch, Kruse, Serra, Mathews, Murphy, Pelletier, Brilmyer, Orloff, Albritton, Fielder.

[fol. 1152] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 55

HUCK MANUFACTURING COMPANY
Specialists in Cold Heading Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

April 6, 1956.

To Our Customers:

Subject: Price Changes

The steady upward trend of the metal market, cost of labor, and general "creep" in cost of doing business has made it necessary, at this time, to adjust the prices for our fasteners, except for our Pull Through (PT) and Self Plugging (9SP) blind rivets. Accordingly, effective on orders received on and after April 9, 1956, prices per the attached lists will apply, except for outstanding quotations still in effect.

As the price changes are not general percentage increases but vary with the relative material and labor increases incurred and adjustments needed, new lists have been printed, and we ask that they be substituted for price lists you now have.

Our district offices will be glad to answer any specific questions you may have, and we thank you for your understanding.

Very sincerely yours, Huck Manufacturing Company.

[fol. 1153] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 56

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: August 31, 1955.

Subject: FOB Los Angeles, California.

To: Mr. A. W. Armour.

From: R. Looker.

Copies: Benkert, Pelletier, Westrick, Sterritt, Miner, File✓

This memorandum will serve to confirm our discussions of yesterday, August 30, on the subject of our shipping materials FOB Los Angeles. Effective on and after September 6, 1955, we will ship all Huck products, except CKL-PT-9SP and tools, FOB Los Angeles at the present established prices plus 3%. As soon as time permits, we will have West Coast price lists established covering the sale of our AL-ALS-CL-SAL-SLS-OS and BL with the 3% included. The West Coast pricing is aimed at our business to the western states of Washington, Oregon, California, Nevada, Arizona, Idaho, New Mexico, Montana, Wyoming, and Utah; and customers in those western states will be urged to purchase our products from our West Coast stock FOB Los Angeles but have the privilege of purchasing FOB Detroit at our present established list prices.

In accordance with paragraph 12B of our lockbolt license agreement with the Townsend Company of September 3, 1954, Townsend has agreed to sell lockbolts at our published prices FOB Brighton, Pennsylvania. In keeping with the spirit of this agreement and with our plans, it is recommended that, effective on and after September 6, 1955, Townsend be permitted to sell lockbolts FOB The Townsend Company, Santa Anna, California. It is further recommended that this amendment to our license with the Townsend Company be handled by a letter rather than a

formad amendment—such a letter to contain perhaps the following suggested wording:

> "This letter is to advise that, effective on and after September 6, 1955, we are planning to ship all huckbolts and huckbolt collars to the western states FOB Inglewood, California at our present published list prices plus 3%. The western states will include Washington, Oregon, California, Nevada, Arizona, Idaho, New Mexico, Montana, Wyoming, and Utah; and customers in that area will be permitted to purchase materials from us either FOB Inglewood, California or FOB Detroit but will be urged to buy FOB Inglewood, California.
>
> In keeping with the spirit of our agreement with you of September 3, 1954, this letter is also to advise that we have no objection to your selling lockbolts FOB Santa Anna, California, in addition to FOB Brighton, Pennsylvania as is now permitted in paragraph 12B with the understanding, of course, that the fasteners sold FOB Santa Anna, California will be at our present established list prices, plus 3% to the nearest nickel. We will have lockbolt and lockbolt collar western price lists printed showing these prices with the 3% addition in the near future and will be very pleased to send you a copy or however many copies you would like to have for internal distribution.

[fol. 1154] I wonder if you will be so kind as to sign the attached copy of this letter, indicating your concurrence and agreement, and return that copy to me."

Very best regards, Robert Looker.

RL:dd

[fol. 1155] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 59

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Huck Confidential

Date: May 25, 1956.

Subject: Pheoll Lockbolt Type Fasteners.

To: Mr. Armour.

From: Robert Looker.

Copies: Benkert, Sterritt, Brihmyer and File.

This memorandum will confirm some of the points discussed between John Sterritt and myself during our meeting today on the subject of the Pheoll lockbolts.

Based on the information received that Pheoll presented a lockbolt to Boeing for evaluation Wednesday, May 23, we believe that the following should be considered at this time.

It is extremely doubtful that Pheoll is aware of the methods claim allowances by the Board of Patent Examiners and that is it recommended that these claims be called to their attention at an early meeting (which I understand will be set up on or about June 11).

Both John and I believe that we should give strong consideration to licensing Pheoll under the claims of our Methods Patent.

Very best regards, Robert Looker.

RL:mb

[fol. 1156] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 60

THE BROWN-LINE CORPORATION

July 13, 1956.

Dear Mr. Armour:

As you will recall during our meeting of June 26 in Mr. Stern's office, we discussed certain phases of the manufacturing company I am starting. The plans for the business are now being formulated, and accordingly I ask to be given a license to manufacture and sell lockbolt devices other than those lockbolt devices manufactured and sold by Huck as standard parts under patents 2,114,493, 2,527,307, 1,531,048, 1,531,049 and under pending patents relating to shear lockbolt devices, to be made effective as soon as other commitments allow.

We will not be in a position to start manufacture for some months, but your early consideration and decision will allow proper planning to be made at these early stages, and will be greatly appreciated. May I discuss these matters with you during your next trip to Detroit?

Very sincerely, Robert Looker.

RL:mb

Huck Confidential

[fol. 1157] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 61

BROWN-LINE CORPORATION

AWA-AEB & Stern

October 23, 1959.

Mr. John C. Sterritt,
Harness, Dickey and Pierce,
7-141 General Motors Building,
Detroit, Michigan.

Dear John:

With reference to our letter of October 13, 1959, it has come to our attention that the Department of Justice is conducting an investigation to determine the extent of monopoly Huck may have over the Lockbolt industry.

If this contention is shown to exist, we would prefer not to be a party to what might later be shown to be the augmation of an illegal monopoly.

We therefore feel only license to offer our invention on a non-exclusive basis, and it is requested that paragraph 2 be changed accordingly.

As you will recall, on July 13, 1956, I wrote a letter to Mr. A. W. Armour requesting a Lockbolt patent license, which request was denied "because of certain complications which we have not been able to surmount."

We again request that we be granted a patent license under patents 2,531,048, 2,531,049 and 2,754,703 to manufacture and sell lockbolts, being well equipped for their design, manufacture, and sale.

Looking forward to hearing from you, I remain,

Very sincerely yours, Brown-Line Corporation,
R. Looker, President.

RL:vd

Attention of: J. C. S.

Received October 28 1959, Harness, Dickey & Pierce Detroit, Mich.

[fol. 1158] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 63

Please make copies & send to AWA—HEB & Stern.

Sent December 8, 1959

BROWN-LINE
Corporation

December 3, 1959.

Mr. John C. Sterritt,
Harness, Dickey and Pierce,
General Motors Bldg.,
Detroit, Michigan.

Dear John:

Going over my follow-up file yesterday, I noted a typographical error in my letter of October 23, 1959, to you.

I inadvertently call out patents 2,513,048 and 2,513,049, and these should be changed to read 2,531,048 and 2,531,049. That's what I get for using my faulty memory and not looking up the numbers.

I wonder if you would be so kind as to change my letter accordingly.

Please give my best to Merdith.

Very sincerely yours, Brown-Line Corporation,
R. Looker, President.

RL:vd

Attention of: J. C. S.

Changed nos. December 7, 1959.

Received December 7, 1959, Harness, Dickey & Pierce Detroit, Mich.

[fol. 1159] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 64

Please make copies & send to AWA—HEB & Stern.

Sent November 13, 1959

BROWN-LINE
Corporation

November 9, 1959.

Mr. John C. Sterritt,
Harness, Dickey and Pierce,
7-141 General Motors Building,
Detroit, Michigan.

Dear John:

Many thanks for your letter of November 4, 1959. The matter of requested patent license should perhaps be given a greater definition of intent on our part for the consideration of the Huck Company. If such a license is granted, we would only manufacture lockbolt collars at this time on screw machines we now own, and enter lockbolt pin manufacture as machinery is procured for that purpose. The License we request is not by us an admission of validity of the patents under which the license would be issued, but is a request for a simple nonrestrictive open license to manufacture lockbolt collars and pins and to sell such parts in open nonrestrictive competition, for which right we will agree to pay the Huck Company a reasonable royalty. Our request for such a license has been pending with the Huck Company for about 3½ years, and a reply will be appreciated.

The fifth paragraph of your letter perhaps needs some clarification. You, of course, understand that only the first three sentences of paragraph five and all of paragraph six of your letter of November 4, 1959, were discussed by us during our meeting in Los Angeles the end of September last when your request for license or patent right purchase for the bockbolt invention under discussion was made. Your statement then was that the Huck Company was interested

and would consider any reasonable proposal made to it for the purchase of use of patent rights.

The 4th through the 7th sentences of paragraph five leave us with doubt as to your meaning. Do you mean that Huck claims our invention comes within the claims of existing Huck patents, or that it is not an invention at all, being anticipated by Huck patents? We do not feel license to proceed with our own plans for its development and marketing until the question is answered, for if your letter is intended to imply notice of infringement, we would have to face such a claim.

Very sincerely yours, Brown-Line Corporation,
R. Looker, President.

RL:vd

Attention of: J. C. S.

Received November 12, 1959, Harness, Dickey & Pierce Detroit, Mich.

[fol. 1160] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 65

Please make & send copies to ADA—AEB & Al Stern

March 2, 1960

BROWN-LINE
Corporation

Mr. John C. Sterritt,
Harness, Dickey and Pierce,
7-141 General Motors Bldg.,
Detroit, Michigan.

Dear John:

I wonder if you would be so kind as to reply to my letters of October 23, 1959, and November 9, 1959, on the subject of our request for a lockbolt license.

If a license is to be granted, we would like to get started and if it is not to be granted, we want to know that too so that we might proceed with other plans. As it is, we do

not know the intent of the Huck Company and are therefore unable to proceed with the good development of our company's business in face of the Huck Company's domination over the lockbolt industry.

Sincerely yours, Brown-Line Corporation, R. Looker, President.

RL:ad

Received March 4, 1960, Harkness, Dickey & Pierce, Detroit, Mich.

Attention of: J.C.S.

[fol. 1161] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 66

Sales File.

RIV-TITE
OLYMPIC SCREW & RIVET CORPORATION
Downey, California

cc: AWA-AEB. Sterritt, copied September 29 1954, S.R.M

Sept. 27, 1954.

Mr. Robert Looker,
Vice President in Charge of Sales,
Huck Manufacturing Company,
2480 Bellevue Ave.,
Detroit 7, Mich.

Dear Bob:

Thank you for your complimentary letter of Sept. 21st. I also note your new position, and want to take this opportunity to congratulate you on being Vice President in Charge of Sales. I am sure it is well deserved.

You mention that your examination of our brochure indicated something to you about our rivet and your Patent 2,527,307. If there is something specific about it, we would

be glad to discuss it with you; but let me assure you, Bob, that we are not making a 9SP or a PT rivet.

As far as a license is concerned, I would like to give that some further thought. I'm planning to attend the National Symposium on titanium in Cleveland Oct. 11 and 12, which I presume you will attend, too. I would be glad to go into this matter with you at that time.

Speaking of licenses, I would also like you to give some thought in considering us for a license on your lock-bolt. I am sure we could do a good job for you.

Cordially yours, Olympic Screw & Rivet Corporation,
S. R. Maness.

srm:eg

[fol. 1162] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 68

Sales File

cc: Armour, Benkert, Sterritt, File✓

September 29, 1954.

Mr. S. R. Maness,
President,
Olympic Screw & Rivet Corporation,
11406 South Downey Avenue,
Downey, California.

Dear Sam:

Many thanks for your kind letter of September 27 and your very fine compliments. Your words are appreciated.

It is true that I am planning to attend the Titanium Symposium in Cleveland but only on October 12 as I have another engagement on October 11. I will look you up then and perhaps we can be in a better position to discuss the matters relating to our Patent 2,527,307.

We can also discuss matters of a lockbolt license at that

time but I am afraid that there is very little we can discuss of real value for we have just signed a lockbolt license with the Townsend Company.

Looking forward to seeing you then, I remain

Very sincerely yours, Huck Manufacturing Company,
Robert Looker, Vice President in Charge of Sales.

RL:rm

[fol. 1163] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 69

HUCK MANUFACTURING COMPANY
Departmental Correspondence

CURRENT LICENSE FILE

Date: May 11, 1953.

Subject: Meeting May 11, 1953. License—Lockbolts ITW

To: see copies.

Copies: Messrs. Sterritt Armour, ✓ Benkert, Dobbe, Westrick, Looker.

From: Robert Looker.

Notes taken during meeting of May 11, 1953.
If license are pros and cons below:

For:

1. Labour negotiates more favorable light.
2. Develop greater market overall.
3. Large market will not buy because of single source.
4. Royalties—income without capital expenditures.
5. Townsend *might* withdraw appeal if have license.

Against:

1. Chance of price of I.T.W. Lockbolts lower than ours.
2. Would cause dip in business we now have—first I.T.W. customers would probably be ours.
3. Patent suit not yet ended—if appeal reverses lower court would give know how to I.T.W. for naught.
4. Possibility of limited market now due to present high prices—possible not enough for I.T.W. & Huck.

Considerations:

1. Price clauses—I.T.W. & Huck same price. Legality possibly in question in future by future court interpretations on law—could be revised by amendment of license.
2. Change name to Huckbolt.
3. Royalties—Commercial—minimum royalty basis. Government—lower.
4. Distinguishing markings—
5. Improvements—mutual benefits.
6. Consider factors now regarding our present costs—which are unknown now.

Very best regards, Robert Looker.

RL:dr

[fol. 1164] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 70

July 7, 1958.

AGREEMENT

This Agreement, made at Detroit, Michigan, this 22nd day of October, 1958, between Huck Manufacturing Company, a corporation of Michigan, having its principal place of business at 2480 Bellevue Avenue, Detroit, Michigan (hereinafter referred to as "Huck"), and Townsend Company, a corporation of Pennsylvania, having its principal place of business at the Borough of Fallston, Beaver

County, Pennsylvania, (hereinafter referred to as "Townsend"):

Witnesseth:

Whereas, Huck and Townsend are both engaged in the development, design, construction, use and sale of tools and equipment and parts thereof which are employed in the installation or setting and removal of lockbolt devices, which are two-part fastening devices including a pin and collar, and in which the pin is applied to the work from one side thereof and the collar applied to the pin from the other side of the work and in which the collar in swaged into locking grooves in the pin simultaneously with the setting of the fastener;

Whereas, Townsend and Huck desire to exchange options to obtain nonexclusive licenses to manufacture and sell tools and equipment and parts thereof embodying the designs of each other in the United States of America on the terms and conditions hereinafter set forth.

Now, therefore, in consideration of the mutual covenants and agreements hereinafter contained it is agreed by and between the parties hereto as follows:

1. It is agreed between Huck and Townsend that the "Licensed Products" forming the subject matter of this agreement shall include the following:

[fol. 1165] a. At the present time, Huck has released the following tools and equipment for the setting of lockbolt fasteners:

EXHIBIT A

All of the above-listed tools and equipment shall be hereinafter included in the term "Huck Licensed Products."

b. In the future, should Huck release for sale any additional tools and equipment for the setting of lockbolt fasteners, then upon the day of such release, Huck shall supply Townsend with identification of such tools and equipment and they shall also then be included in the term "Huck Licensed Products."

c. At the present time, Townsend has released the following tools and equipment for the setting of lockbolt fasteners:

EXHIBIT B

All of the above-listed tools and equipment shall be hereinafter included in the term "Townsend Licensed Products."

d. In the future, should Townsend release for sale any additional tools and equipment for the setting of lockbolt fasteners, then upon the day of such release, Townsend shall supply Huck with identification of such tools and equipment and they shall also then be included in the term "Townsend Licensed Products."

2. Effective March 1, 1959 Huck hereby grants to Townsend an option to obtain a non-exclusive right and license to manufacture, use and sell such Huck Licensed Products as it may elect, in the United States of America, which Huck may design and develop or which it may have designed or developed for it, whether patentable or not, and agrees to supply Townsend, upon identification of its elected Huck Licensed Products and written request by Townsend, with such working drawings as it may have or which it may at any time acquire during the life of this license with respect to such elected Huck Licensed Products

[fol. 1166] 3. Effective March 1, 1959, Townsend hereby grants to Huck an option to obtain a nonexclusive right and license to manufacture, use and sell such Townsend Licensed Products as it may elect, in the United States of America, which Townsend may design and develop or which it may have designed or developed for it, whether patentable or not, and agrees to supply Huck, upon identification of its elected Townsend Licensed Product and written request by Huck, with such working drawings as it may have or which it may at any time acquire during the life of this license with respect to such elected Huck Licensed Products.

4. The option granted under Paragraph 2 above may be exercised by Townsend by its giving written notice to Huck identifying the Huck Licensed Product it elects to manufacture and sell and accompany such notice with payment of Twenty Five Thousand Dollars ($25,000) for each such elected Licensed Product. Within ten (10) days after receipt of such written

Option payment

notice, Huck shall deliver to Townsend such working drawings as it may have with respect to such elected Licensed Product identified by Townsend in said written notice.

5. The option granted under Paragraph 3 above may be exercised by Huck by its giving written notice to Townsend identifying the Townsend Licensed Product it elects to manufacture and sell and accompany such notice with payment of Twenty Five Thousand Dollars ($25,000) for each such elected Licensed Product. Within ten (10) days after receipt of such written notice, Townsend shall deliver to Huck such working drawings as it may have with respect to such elected Licensed Product identified by Townsend in said written notice.

Option payment

6. The right and license granted to Townsend by Huck under Paragraph 2 above with respect to the elected [fol. 1167] Licensed Products identified by Townsend under Paragraph 4 above shall include a nonexclusive right and license under any United States Letters Patent and applications for Letters Patent now owned or later acquired by Huck with respect to said elected Licensed Products. This license also applies to elected Licensed Products covered by any continuations, divisions of, or substitutes for said applications for Letters Patent, and also any reissues or extensions of any said Letters Patent.

7. The right and license granted to Huck by Townsend under Paragraph 3 above with respect to the elected Licensed Products identified by Huck under Paragraph 5 above shall include a nonexclusive right and license under any United States Letters Patent and applications for Letters Patent now owned or later acquired by Townsend with respect to said elected Licensed Products. This license also applies to elected Licensed Products covered by any continuations, divisions of, or substitutes for said applications for Letters Patent, and also any reissues or extensions of any said Letters Patent.

8. In addition to the amount specified in Paragraph 5 above and with respect to the elected Licensed Products identified thereunder, Huck agrees to pay to Townsend:

a. A royalty of Five Per Cent (5%) on the net selling price of all elected Licensed Products manufactured and sold by it

Royalty payable by Huck

which are covered by any claim of any of the Townsend Letters Patent licensed herein or which are constructed exactly according to drawing supplied Huck by Townsend under Paragraph 3 above.

b. With respect to elected Licensed Products which embody a portion only of the designs supplied Huck by Townsend under Paragraph 3 above and which include variations by Huck's own designs therein, a royalty of Five Per Cent (5%) on the net selling price of all such elected [fol. 1168] Licensed Products. If, after three (3) years from the receipt of drawings supplied to Huck by Townsend under Paragraph 3, Letters Patent have not been granted to Townsend covering the designs disclosed in such drawings with respect to elected Licensed Products, then payment of royalties under this subparagraph *b* may be discontinued until such Letters Patent are granted Townsend, and the payments of royalties will immediately be resumed upon notice to Huck of the grant of such Letters Patent.

Discontinuance of royalties, etc.

9. In addition to the amount specified in Paragraph 4 above and with respect to the elected Licensed Products identified thereunder, Townsend agrees to pay to Huck:

Royalty payable by Townsend

a. A royalty of Five Per Cent (5%) on the net selling price of all elected Licensed Products manufactured and sold by it which are covered by any claim of any of the Huck Letters Patent licensed herein or which are constructed exactly according to drawings supplied Townsend by Huck under Paragraph 4 above.

b. With respect to elected Licensed Products which embody a portion only of the designs supplied Townsend by Huck under Paragraph 4 above and which include variations by Townsend's own designs therein, a royalty of Five Per Cent (5%) on the net selling price of all such elected Licensed Products. If, after three (3) years from the receipt of drawings supplied to Townsend by Huck under Paragraph 4, Letters Patent have not been granted to Huck covering the designs disclosed in such drawings with respect to elected Licensed Products, then payment of royalties under this subparagraph *b* may be discontinued until such

Discontinuance of royalty

Letters Patent are granted Huck, and the payments of royalties will immediately be resumed upon notice to Townsend of the grant of such Letters Patent.

10. It is understood that neither party shall be under any obligation to exercise its option as provided in Para- [fol. 1169] graph 4 and 5 above with respect to tools and equipment included in the term "Licensed Products" as defined in Paragraph 1 above, and in the absence of exercising its option as provided herein each party shall be free of any obligation to the other, except such obligations as may be imposed by the existence of valid United States Letters Patent covering such tools and equipment.

11. Huck and Townsend shall both keep proper books of account showing sales of Licensed Products subject to royalty under this agreement and each agrees to report to the other by the 20th of each month the Licensed Products sold by it during the preceding month, giving in such report the dollar amount sold during the month being reported. Licensed Products shall be considered sold when billed, or if not billed out, when delivered or paid for before delivery. In computing sales of Licensed Products, credit shall be given for returned Licensed Products and Licensed Products which are given out as samples without charge to the customers shall not be subject to royalty.

Reports

12. Within twenty days following the last day of February, May, August and November, Huck and Townsend each will submit a written statement to the other giving the total sales of Licensed Products subject to royalty under this agreement for the quarter being reported, and accompany such quarterly report with the payment of the royalty then due.

Payment date

13. Huck and Townsend shall each have access to the books and records of the other at all reasonable times to check the amount of sales of Licensed Products made hereunder by the other from time to time, provided, however, that either may, at its election, substitute for its examination a certificate of a mutually agreed upon firm of certified public accountants as to the amount of said sales and as to [fol. 1170] any other figures that will determine the amount of royalties payable thereon. Each will not require an

examination or such certified statement more than once a year.

14. In the event that either Huck or Townsend fails to comply with the terms of reports and royalty payment specified herein, and so often as the same shall happen, or breaches any other material provisions of this agreement, the other may, at its option, by giving sixty (60) days' notice in writing, specifying the breach complained of, terminate this agreement and the license granted hereby, provided, however, that if the breach complained of shall be corrected by either Huck or Townsend within thirty (30) days after the mailing of said notice, then this agreement shall remain in full force and effect.

15. Huck and Townsend each agree to suitably identify the Licensed Products as manufactured and sold by each one to distinguish from the Licensed Products manufactured and sold by each other, the manner of so distinguishing the Licensed Products to be mutually determined hereinafter. Huck may apply the name Huck to Licensed Products sold by it and Townsend may apply the name Townsend to Licensed Products sold by it.

16. Notice as herein provided shall mean the placing of the notice in the mails, registered-return, postage prepaid, to the party being notified at the address above given, or at such other address designated by the parties hereto, or by otherwise delivering to the other party such notice.

17. The licenses herein granted are nontransferable by Huck or Townsend without the written consent of the other first had and obtained, except to the successors of the entire fastener business of Huck or Townsend, and this agreement shall be binding upon, and inure to the benefit of any such successors of Huck or Townsend.

[fol. 1171] 18. Unless previously terminated in accordance with the terms hereof, this agreement and the license herein granted shall extend for fifteen (15) years or the full term of the United States Letters Patent which are or may be included in this agreement, and shall terminate at the end of fifteen (15) years or at the expiration of the last to expire of said patents, whichever term is longer.

Term of agreement

19. Huck or Townsend may, either one, cancel this agreement with respect to the option rights granted in Para-

graphs 2 and 3 at will and at any time upon twelve (12) months' previous notice in writing to the other. However, with respect to option rights already vested by reason of having been exercised in accordance with paragraphs 4 and 6, such rights and the obligations with respect thereto shall continue for the life of the license as defined in Paragraph 18.

20. Huck and Townsend each agree to properly affix the necessary statutory patent notices to all of the Licensed Products manufactured and sold hereunder.

Signed at Detroit, in the County of Wayne and State of Michigan, this 22nd day of October, 1958.

Huck Manufacturing Company, By A. W. Armour, III, Its President.

Attest: Alfred E. Benkert. Its Exec. Vice President.

Signed at Fallston, in the County of Beaver and State of Pennsylvania, this 21st day of October, 1958.

Townsend Company, By F. R. Dickenson, Its — —.

Attest: Miss Thelma I. Shearer, Its — —.

Thelma I. Shearer, Notary Public, New Brighton, Beaver County, Pa. My Commission Expires April 17, 1961.

[fol. 1172] EXHIBIT A October 2, 1958

Power Packs

I. Power Packs—805 Series

a) 805
b) 805TE
c) 805FC
d) 805 TEFC
e) 805DD
f) 805G

II. Power Packs—800 and 801 Series

a) 800
b) 800DD
c) 801
d) 801DD

III. Power Cells—127A, 128A, 131A Series

a) 127A
b) 128A
c) 128A-1
d) 131A
e) 131A-1

IV. Hydraulic Pull Tool—609 (formerly 125)

Hydraulic Pull Tool—618 (Double Drive 609)

Nose Assemblies

99-81	99-296
99-84	99-298
99-179	99-299
99-215	99-310
99-216	99-318
99-217	99-344
99-230	

[fol. 1173]

V. Hydraulic Pull Tool—611 (formerly 126G)
Hydraulic Pull Tool—607 (Double Drive 611)
Hydraulic Pull Tool—612 (formerly 126E)
Hydraulic Pull Tool—616 (Double Drive 612)

Nose Assemblies

99–130	99–157	99–255	99–289
99–135	99–158	99–256	99–290
99–136	99–165	99–257	99–322
99–137	99–166	99–258	99–327
99–138	99–167	99–262	99–328
99–140	99–222	99–265	99–336
99–145	99–225	99–266	99–355
99–148	99–226	99–267	99–356
99–150	99–232	99–268	99–360
99–156	99–252	99–269	99–501

VI. Hydraulic Pull Tool—610 (formerly 126C)
Hydraulic Pull Tool—608 (Double Drive 610)
Hydraulic Pull Tool—613 (formerly 126F)
Hydraulic Pull Tool—617 (Double Drive 613)

Nose Assemblies

99–116	99–158	99–245	99–355
99–118	99–225	99–246	99–395
99–126	99–226	99–255	99–396
99–127	99–227	99–256	99–397
99–129	99–228	99–330	99–398
99–156	99–235	99–337	
99–157	99–236	99–338	

VII. Hydraulic Pull Tool—614 (formerly 146)
Hydraulic Pull Tool—619 (Double Drive 614)

Nose Assemblies

99–400	99–409
99–402	99–410
99–406	99–412

VIII. Pneumatic Pull Tool—352
Pneumatic Pull Tool—356 (formerly 139A)

[fol. 1174]

Nose Assemblies

99–33	99–240	99–362	92212
99–55	99–248	99–363	92214
99–101	99–249	99–364	92215
99–105	99–300	99–388	92216
99–152	99–302	99–389	92221
99–195	99–325	99–390	92222
99–198	99–339	99–391	92223
99–212	99–341	92210	92224
99–220	99–345	92211	

IX. Pneumatic Pull Tool—353
Pneumatic Pull Tool—354 (Double Drive 353)

99–58	99–277	99–368	92231
99–69	99–280	99–375	92232
99–90	99–286	99–376	92236
99–99	99–320	99–393	92237
99–100	99–361	99–394	92385
99–188	99–365	99–526	92386
99–189	99–366	92229	
99–276	99–367	92230	

X. Nose Assemblies—Stump Sets—Gauges
(Pull tools not included in this option)

99–33	99–136	99–216	99–257
99–41	99–137	99–217	99–258
99–55	99–138	99–220	99–262
99–58	99–140	99–222	99–265
99–69	99–145	99–225	99–266
99–81	99–148	99–226	99–267
99–84	99–150	99–227	99–268
99–90	99–156	99–228	99–269
99–99	99–157	99–230	99–276
99–100	99–158	99–232	99–277
99–101	99–165	99–235	99–280
99–105	99–166	99–236	99–286
99–116	99–167	99–240	99–289
99–117	99–179	99–245	99–290

Nose Assemblies—Stump Sets—Gauges (continued)

99–118	99–188	99–246	99–296
99–126	99–189	99–248	99–298
99–127	99–195	99–249	99–299
99–129	99–198	99–252	99–300
99–130	99–212	99–255	99–302
99–135	99–215	99–256	99–310

[fol. 1175]

99–317	99–361	99–396	92215
99–320	99–362	99–397	92216
99–322	99–363	99–398	92221
99–325	99–364	99–399	92222
99–327	99–365	99–400	92223
99–328	99–366	99–402	92224
99–330	99–367	99–406	92229
99–336	99–368	99–409	92230
99–337	99–375	99–410	92231
99–338	99–376	99–412	92232
99–339	99–388	99–425	92236
99–341	99–389	99–501	92237
99–344	99–390	99–526	92385
99–345	99–391	92210	92386
99–355	99–393	92211	
99–356	99–394	92212	
99–360	99–395	92214	

Stump Sets	Gauges
915–1–6A*	HG–34D–1
915–1–6B	HG–34D–2
915–1–6C	HG–34D–3
915–5–6A	HG–34D–4
915–5–6B	HG–34D–5
915–5–6C	HG–34D–6
914–4–6	HG–34D–7
	HG–34D–8
915–1–8A*	
915–1–8B	HG–75–1
915–1–8C	HG–75–2
915–5–8A	HG–75–3
915–5–8B	HG–75–4
915–5–8C	

Stump Sets	Gauges
914–4–8	HG–76–1
	HG–76–2
915–1–10A*	HG–76–3
915–1–10B	HG–76–4
915–5–10A	HG–77
915–5–10B	HG–85
915–5–10C	HG–119
914–4–10	
915–1–12A*	
915–5–12A	
915–5–12B	
915–5–12C	
914–4–12	

* Indicates Standard Set.

[fol. 1176] EXHIBIT B

October 20, 1958.

Power Guns

1. G-85 Series

a) G-85
b) G-87
c) Lockbolt pulling attachments that are standard equipment with the above.

[fol. 1177] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 71

SALES AGREEMENT

This Agreement made at Detroit, Michigan, this 22nd day of October, 1958, between Huck Manufacturing Company, a corporation of Michigan, having its principal place of business at 2480 Bellevue Avenue, Detroit, Michigan, (hereinafter referred to as "Huck"), and Townsend Com-

pany, a corporation of Pennsylvania, having its principal place of business at the Borough of Fallston, Beaver County, Pennsylvania, (hereinafter referred to as "Townsend");

Witnesseth:

Whereas, Huck and Townsend are both engaged in the development, design, construction, use and sale of tools and equipment and parts thereof which are employed in the installation or setting and removal of lockbolt devices, which are two-part fastening devices including a pin and collar, and in which the pin is applied to the work from one side thereof and the collar applied to the pin from the other side of the work and in which the collar is swaged into locking grooves in the pin simultaneously with the setting of the fastener, all of which devices and parts thereof being hereinafter referred to as Licensed Products;

Whereas, Townsend and Huck have heretofore sold, placed and distributed the products hereinbefore described and continue in the sale, lease, rental, distribution and placement of such devices and to cause the aforesaid products of each to be available to the other;

Now, Therefore, in consideration of the mutual covenants and agreements hereinafter contained, it is agreed by and between the parties hereto as follows:

1. Huck hereby grants to Townsend a non-exclusive right, during the term of this agreement, to sell the beforemen- [fol. 1178] tioned and described products manufactured by or for Huck, together with any parts of or replacements for said articles. Huck agrees that it will make the aforesaid products available to Townsend in common with other purchasers. The rights granted under this Paragraph 1 to be limited to sales made in and intended for the use of said products within the Continental United States of America.

2. Townsend hereby grants to Huck a non-exclusive right, during the term of this agreement, to sell the beforementioned and described products manufactured by or for Townsend, together with any parts of or replacements for said articles. Townsend agrees that it will make the afore-

said products available to Huck in common with other purchasers. The rights granted under this Paragraph 2 to be limited to sales made in and intended for the use of said products within the Continental United States of America.

3. Huck and Townsend shall each, and at all times, publish and make available to the other party hereto, list prices on "complete units", for example, complete nose assemblies, complete nippers, complete guns, complete power packs, etc. The parties will likewise publish and make available to the other party hereto list prices on spare parts making up the above "complete units" in any quantity whatsoever. The parties further agree that each of the parties hereto will allow discounts to the other party hereto in accordance with the schedule set forth in Schedule 1 attached hereto and made a part hereof by reference.

4. Sales by Huck to Townsend and by Townsend to Huck shall be at the discounts shown in Schedule 1 together with all other allowances or discounts normally offered to the trade.

5. Each of the parties hereto, upon sales of its products to the other party, shall grant like warranties to those published or normally offered the trade with respect to each of the products.

[fol. 1179] 6. The discounts hereinbefore mentioned and more particularly described in Schedule 1 hereto shall be in addition to any normal cash or similar discounts heretofore generally granted but received by either of the parties from the other on their purchases and sales between each other.

7. The term of this agreement shall begin on the 22nd day of October, 1958, and shall extend for the full term of one (1) year thereafter and from year to year following, for a period of 15 years, or the life of the patents unless this agreement is sooner terminated pursuant to the terms thereof. Huck or Townsend may, either one, cancel this agreement at will and at any time upon twelve (12) months' previous notice in writing to the other.

8. In the event that either Huck or Townsend fails to comply with the terms, covenants or agreements herein contained, the other party may, at its option, by giving

sixty (60) days' notice in writing specifying the breach complained of, terminate this agreement; provided, however, that if the breach complained of shall be corrected by either Huck or Townsend within thirty (30) days after the mailing of said notice, then this agreement shall remain in full force and effect.

9. The rights herein granted are not transferable by Huck or Townsend without the written consent of the other first had and obtained, except to the successors of the entire fastener and affiliated or similar businesses of Huck or Townsend and this agreement shall be binding upon and inure to the benefit of any such successors of Huck or Townsend.

10. In the event either of the parties hereto makes an assignment for the benefit of creditors, or in the event a petition in bankruptcy or reorganization or similar relief is filed by or against either of the parties hereto, or in the event a Receiver is appointed for either of the aforesaid parties, then and in that event the other party hereto shall be entitled to terminate this agreement as herein provided for any other breach of the terms or conditions hereof.

[fol. 1180] 11. It is expressly agreed that this agreement is wholly separate and apart from and shall not be deemed to terminate, modify or affect that certain agreement between the parties hereto, dated the 22nd day of October, 1958.

Signed at Detroit in the County of Wayne, and State of Michigan, this 22nd day of October, 1958.

Huck Manufacturing Company, By: A. W. Armour III, Its President.

Attest: A. E. Benkert, Its Exec. Vice Pres.

Signed at Fallston in the County of Beaver, and State of Pennsylvania, this 21th day of October, 1958.

Townsend Company, By: F. R. Dickenson, Its — —.

Attest: Miss Thelma I. Shearer, Its — —.

Thelma I. Shearer, Notary Public, New Brighton, Beaver County, Pa., my Commission Expires April 17, 1961.

[fol. 1181] SCHEDULE 1

* For less than 50 units—discount of 20%.
* For 50 units or more—discount of 25%.
* For all spare parts selling for more than $30.00—discount of 25%.
* For all spare parts selling for less than $30.00—discount of 30%.

---

* Note: also see supplement on Townsend letter May 7, 1959 attd herewith below.

TOWNSEND COMPANY
Established 1816
New Brighton, Pennsylvania

May 7, 1959.

Huck Manufacturing Company,
2480 Bellevue Avenue,
Detroit 7, Michigan.
Attention: Mr. A. E. Benkert

Gentlemen:

Subject: Supplement to Sales Agreement

We hereby make the following addition to Schedule 1 of our Sales Agreement dated October 22, 1958:

For 100 units or more of Townsend's G-85 tool ..... discount of 40%.
For 100 units or more of Townsend's G-87 tool ..... discount of 40%.

Signed at Fallston, in the County of Beaver, and State of Pennsylvania, this 7th day of May, 1959.

Townsend Company, By: F. R. Dickenson, Its President.

Attest: D. C. Paluour, Its Secretary-Treasurer.

Copies To: A. Armour, C. Armour (2), Brilmyer, Fielder, Fox, Gibb, Mathews, Reynolds, Rowse, Stern, Sterritt, Van Hecke.

[fol. 1182] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 72

May 6, 1958.

BLIND LOCKBOLT AGREEMENT

This Agreement, made at Detroit, Michigan, this 25th day of June, 1958, between Huck Manufacturing Company, a corporation of Michigan, having its principal place of business at 2480 Bellevue Avenue, Detroit, Michigan (hereinafter referred to as "Huck") and Townsend Company, a corporation of Pennsylvania, having its principal place of business at the Borough of Fallston, Beaver County, Pennsylvania (hereinafter referred to as "Townsend");

Witnesseth:

Whereas, Huck is engaged in the manufacture and sale of certain fastening devices (such devices being known and defined as Huck Blind Lockbolts) disclosed and identified by way of examples and not by way of limitation as Exhibit A attached hereto, which shall hereinafter be referred to as "licensed products", and is in possession of certain valuable information called "know-how", relating to the manufacture and use of said licensed products, and expects in the future to come into possession of further such information; and

Whereas, Townsend desires a license to manufacture and sell such licensed products and obtain from Huck its "know-how" relating to the manufacture and use of such licensed products, and Huck is desirous of licensing Townsend for the manufacture and sale of such licensed products.

Now, Therefore, in consideration of the mutual covenants and agreements hereinafter contained, it is agreed by and between the parties as follows:

1. Huck shall, so soon after the date of this agreement as Townsend may reasonably require, supply to Townsend, but at no expense to Huck, specifications, working and other drawings and other information that may be reasonably necesary [fol. 1183] to enable Townsend to manufacture said licensed products.

2. Huck hereby grants to Townsend a non-exclusive right and license to manufacture, use and sell licensed products in the United States of America employing therein the specifications, working and other drawings and all other information supplied Townsend by Huck under Paragraph 1 hereof.

3. Huck and Townsend agree to exchange information with respect to improvements that each may make in the licensed products, and with respect to improved techniques in the manufacture and use of said licensed products.

4. All information supplied Townsend by or on behalf of Huck under or pursuant to this agreement shall be treated as confidential by Townsend, and shall be used solely to enable Townsend to manufacture and sell licensed products in accordance with this agreement and during the continuance thereof.

5. Townsend shall insure that no such information as aforesaid is disclosed except to responsible employees of itself without the express prior consent of Huck.

6. As consideration for the information supplied and to be supplied, and for the assistance given and to be given by Huck, and for the license granted herein Townsend agrees to pay to Huck a royalty of Five Percent (5%) on the net selling price of all licensed products manufactured and sold by Townsend in whose design or manufacture substantial use is made of any designs or information supplied by or on behalf of Huck hereunder. By "net selling price" the parties hereto mean the net selling price of licensed products charged by Townsend, less all discounts allowed and taken.

Royalty

7. Townsend shall keep proper books of account showing [fol. 1184] sales of licensed products subject to royalty under this agreement, and agrees to report to Huck by the twentieth of each month the licensed products sold by it during the preceding month, giving in such report the dollar amount sold during the month being reported. Licensed products shall be considered sold when billed out or, if not billed out, when delivered or paid for before delivery. In computing sales of licensed products, credit shall be given for returned licensed products, and licensed products which are given out as samples without charge to the customer shall not be subject to royalty.

Reports and Payment

8. Within twenty (20) days following the last day of February, May, August and November, Townsend will submit a written statement giving the total sales of licensed products subject to royalty under this agreement for the quarter being reported, and accompany such quarterly report with payment of the royalty then due.

9. Huck shall have access to the books and records of Townsend at all reasonable times to check the amount of sales of licensed products made hereunder by Townsend from time to time, provided, however, that Townsend may, at its election, substitute for its examination a certificate of a mutually agreed upon firm of certified public accountants as to the amount of said sales and as to any other figures that will determine the amount of royalties payable thereon. Huck will not require an examination or such certified statement more often than once a year.

10. In the event that Townsend fails to comply with the terms of reports and royalty payment specified herein, and so often as the same shall happen, or breaches any other [fol. 1185] material provisions of this agreement, Huck may, at its option, by giving sixty (60) days' notice in writing, specifying the breach complained of, terminate this agreement and the license granted hereby, provided, however, that if the breach complained of shall be corrected by Townsend within thirty (30) days after the mailing of said notice, then this agreement shall remain in full force and effect.

11. Townsend hereby grants to Huck a non-exclusive, royalty-free license, with the right to sublicense on any improvements on said licensed products made or acquired by Townsend during the life of this agreement or products of the same type which are substitutes for the licensed products licensed herein by Huck.

12. For licensed products sold by Townsend as Huck equals, Townsend agrees to maintain Huck's quality for full equivalence in shear, tension and fatigue, for aircraft shear and tension allowables as defined or as may be defined by ANC5 Manual and for commercial licensed products typical strength properties defined in Huck-published commercial lockbolt engineering bulletins, which Huck agrees to supply to Townsend.

13. Townsend agrees to suitably identify the licensed

products as manufactured and sold by it to distinguish from the licensed products manufactured and sold by Huck, the manner of so distinguishing the licensed products to be mutually determined hereinafter.

14. Notice as herein provided shall mean the placing of the written notice in the mails, registered-return, postage prepaid, to the party being notified at the address above given, or at such other address designated by the parties hereto, or by otherwise delivering to the other party such notice.

[fol. 1186] 15. The license herein granted is nontransferable without the written consent of Huck had and obtained, except to the successors of the entire fastener business of Townsend, and this agreement shall be binding upon, and inure to the benefit of, any such transferee of Townsend and the successors and assigns of Huck.

Term of Agreement

16. Unless previously terminated in accordance with the terms hereof, this agreement and license herein granted shall extend for ten (10) years from the date hereof.

Signed at Detroit in the County of Wayne and State of Michigan this 25th day of June, 1958.

Huck Manufacturing Company, By A. W. Armour III, Its President.

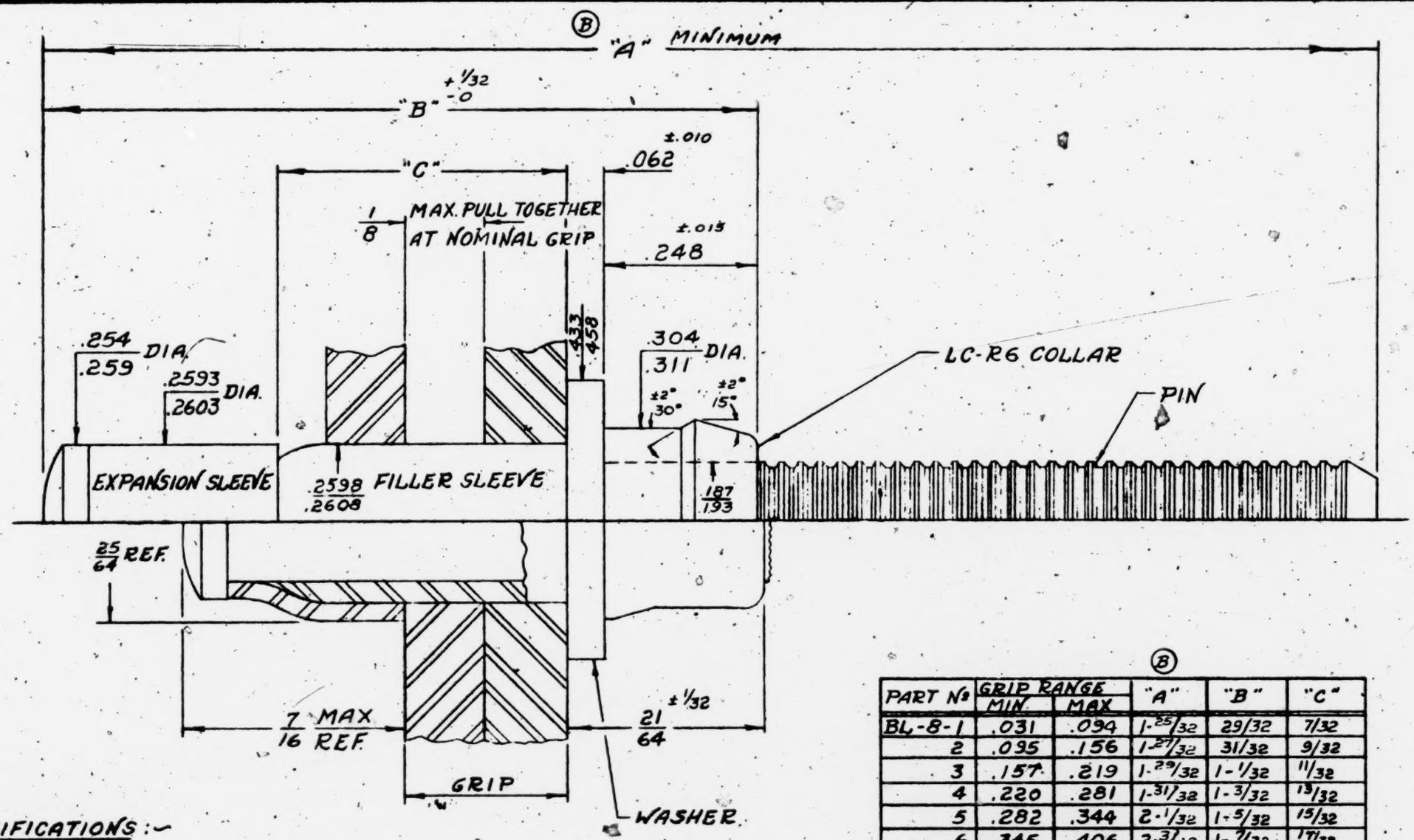
Attest: Louis B. Fielder, Its Assistant Secretary.

Signed at New Brighton in the County of Beaver and State or Pennsylvania this 3rd day of July, 1958.

Townsend Company, By F. R. Dickenson, Its President.

Attest: D. C. Faluain, Its Secretary.

8000 10-62 DETROIT BLUE PRINT & SUPPLY CO.



DRILLING	
CLEARANCE	
PRE DRILL	SIZE DRILL
"D"	"G"
.246	.26

SPECIFICATIONS :-

PIN

MATERIAL-HEAT TREATED ALLOY STEEL AISI 4037
HEAT TREATMENT-HUCK SPECIFICATION 101

EXPANSION SLEEVE

MATERIAL-HEAT TREATED STEEL AISI 1030 OR 1035

FILLER SLEEVE

MATERIAL-HEAT TREATED STEEL AISI 1137 OR 1141

Ⓑ

PART Nº	GRIP RANGE MIN	GRIP RANGE MAX	"A"	"B"	"C"
BL-8-1	.031	.094	1-25/32	29/32	7/32
2	.095	.156	1-27/32	31/32	9/32
3	.157	.219	1-29/32	1-1/32	11/32
4	.220	.281	1-31/32	1-3/32	13/32
5	.282	.344	2-1/32	1-5/32	15/32
6	.345	.406	2-3/32	1-7/32	17/32
7	.407	.469	2-5/32	1-9/32	19/32
8	.470	.531	2-7/32	1-11/32	21/32
9	.532	.594	2-9/32	1-13/32	23/32
10	.595	.656	2-11/32	1-15/32	25/32
11	.657	.719	2-13/32	1-17/32	27/32
12	.720	.781	2-15/32	1-19/32	29/32
13	.782	.844	2-17/32	1-21/32	31/32
14	.845	.906	2-19/32	1-23/32	1-1/32
15	.907	.969	2-21/32	1-25/32	1-3/32
16	.970	1.031	2-23/32	1-27/32	1-5/32
17	1.032	1.094	2-25/32	1-29/32	1-7/32
18	1.095	1.156	2-27/32	1-31/32	1-9/32

signs disclosed therein, and the technical data and engineering
re the exclusive property of the Huck Manufacturing Company.
to Huck upon written request and is not to be reproduced in
o anyone else without the express written consent of Huck.
evice shown in this drawing covered by Huck U.S. Patents Nos.
manufactured, used or sold

DRILLING PROCEDURE				HUCK MFG. CO., DRIVING TOOLS
CLEARANCE FIT		TIGHT FIT		
PRE DRILL	SIZE DRILL	PRE DRILL	SIZE DRILL	
"D"	"G"	"D"	6.6MM	Nos 125,126,139,352 & 353 WITH L-6 NOSE ASSEMBLY
.246	.261	.246	.2598	

designs disclosed therein, and the technical data and engineering are the exclusive property of the Huck Manufacturing Company. ied to Huck upon written request and is not to be reproduced in d to anyone else without the express written consent of Huck. f device shown in this drawing covered by Huck U.S. Patents Nos. 2,754,703. Subject devices not to be manufactured, used or sold ts.

★ STAMP
★ ETCH

JUN 25 1958

CHANGES			
	D	PLATEING REVISED	4-22-58
	D	QQ-P-416 TYPE I CLASS C	9-30-57
	C	REVISED	6-25-57
	B	REVISED	11-15-56
	A	ADDED	9-17-56
	LET.	WAS	DATE

HUCK MANUFACTURING CO.

BLANK PAGE

EXPANSION SLEEVE
MATERIAL-HEAT TREATED STEEL AISI 1030 OR 1035

FILLER SLEEVE
MATERIAL-HEAT TREATED STEEL AISI 1137 OR 1141

COLLAR
MATERIAL-MILD STEEL
WASHER: AN-960-10
ALL COMPONENT PARTS OF THE BLIND HUCKBOLT ARE CADMIUM PLATED PER QQ-P-416 TYPE I, CLASS 3
(D) COLLAR HAS DICHROMATE POST TREATMENT PER QQ-P-416 TYPE II CLASS 3

FRACTIONAL DIMENSIONS TO BE HELD ± .010

12	.720	.781	2-9/32	1-19/32	29/32
13	.782	.844	2-17/32	1-21/32	31/32
14	.845	.906	2-19/32	1-23/32	1-1/32
15	.907	.969	2-21/32	1-25/32	1-3/32
16	.970	1.031	2-23/32	1-27/32	1-5/32
17	1.032	1.094	2-25/32	1-29/32	1-7/32
18	1.095	1.156	2-27/32	1-31/32	1-9/32
19	1.157	1.219	2-29/32	2-1/32	1-11/32
20	1.220	1.281	2-31/32	2-3/32	1-13/32
21	1.282	1.344	3-1/32	2-5/32	1-15/32
22	1.345	1.406	3-3/32	2-7/32	1-17/32
23	1.407	1.469	3-5/32	2-9/32	1-19/32
24	1.470	1.531	3-7/32	2-11/32	1-21/32
25	1.532	1.594	3-9/32	2-13/32	1-23/32

Restrictions:
This drawing, the structural designs disclosed therein, and service represented thereby are the exclusive property of Huck. This drawing is to be returned to Huck upon written request, and in whole or in part or disclosed to anyone else without the written consent of Huck. Manufacture, use and sale of device shown in this drawing is covered by U.S. Patents 2,531,048, 2,531,049, and 2,754,708. Subject device may be in violation of above patents.

Restrictions:
This drawing, the structural designs disclosed therein, and the technical data and service represented thereby are the exclusive property of the Huck Manufacturing This drawing is to be returned to Huck upon written request and is not to be re whole or in part or disclosed to anyone else without the express written consp Manufacture, use and sale of device shown in this drawing covered by Huck U.S. 2,531,048, 2,531,049, and 2,754,703. Subject devices not to be manufactured, in violation of above patents.

★ STAMP
★ ETCH

JAN 25 1958

CHANGES			
D	PLATEING REVISED	4-22-58
D	QQ-P-416 TYPE 2 CLASS C	9-30-57
C	REVISED	6-25-57
B	REVISED	11-15-56
A	ADDED	9-17-56
LET.	WAS	DATE.

HUCK MANUFACTURING CO.
2480 BELLEVUE AVE.
DETROIT 7, MICH., U. S. A.

TITLE
COORDINATION DRAWING OF BL-8
1/4" BLIND HUCKBOLT

MATERIAL

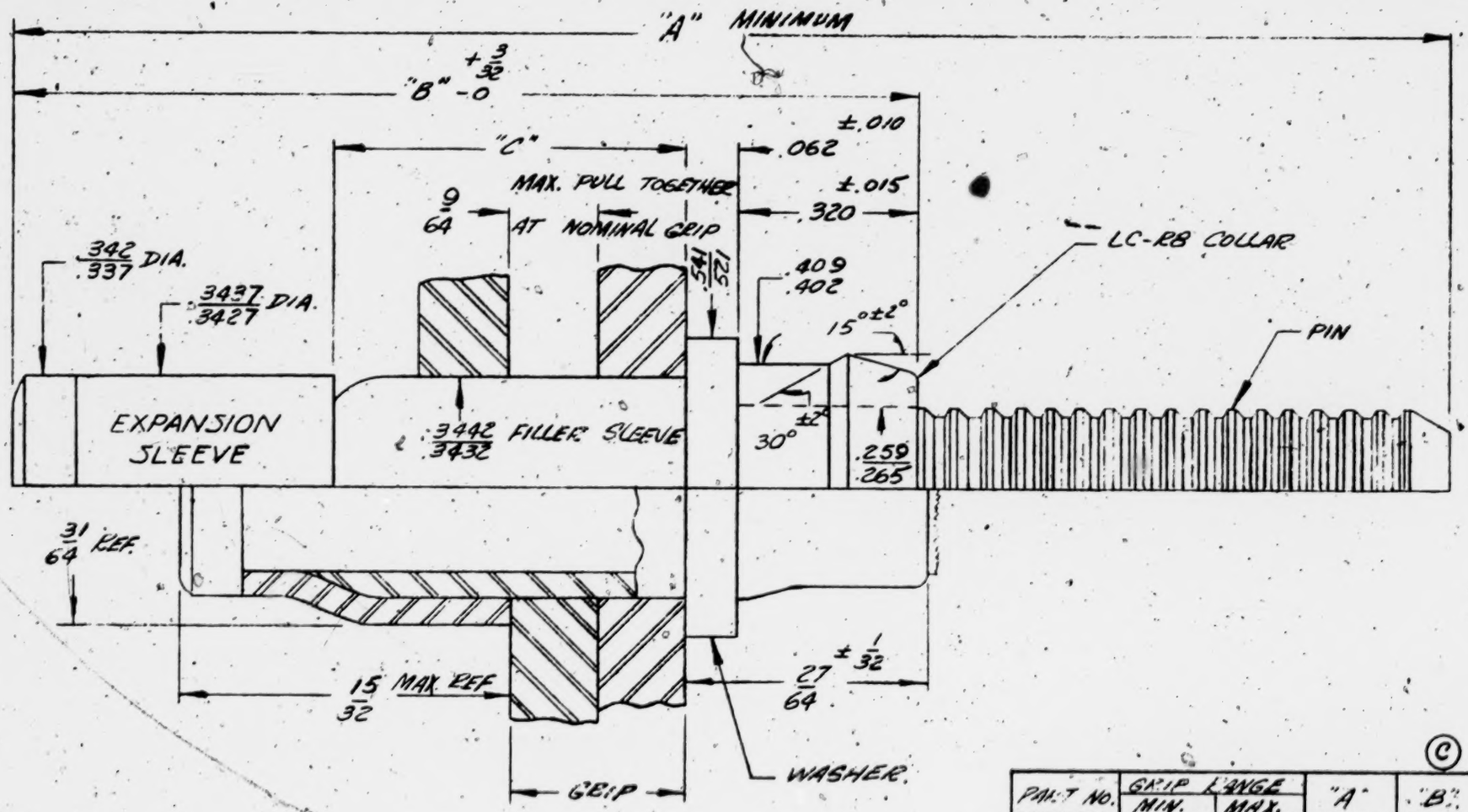
HEAT TREATMENT

SCALE ___ FT.
DATE 8-16-56
DR. BY KB.
CH. BY
APP. BY

BL-8

INDEX NUMBER
145

EXHIBIT A.



DRILLING PROCEDURE			
CLEARANCE FIT		TIGHT FIT	
PRE DRILL	SIZE DRILL	PRE DRILL	SIZE DRILL
2/64 .328	"S" .348	2/64 .328	11/32 .344

SPECIFICATIONS: —

PIN

MATERIAL - HEAT TREATED ALLOY STEEL AISI 4037
HEAT TREATMENT HUCK SPECIFICATION 101

EXPANSION SLEEVE

MATERIAL - HEAT TREATED STEEL AISI 1030 OR 1035

FILLER SLEEVE

MATERIAL - HEAT TREATED STEEL AISI 1137 OR 1141

COLLAR

MATERIAL - MILD STEEL

WASHER

PART NO.	GRIP LANGE MIN.	MAX.	"A"	"B"	"C"
RL-10-2	.093	.156	2-11/32	1-3/32	5/16
-3	.157	.219	2-13/32	1-5/32	3/8
-4	.220	.281	2-15/32	1-7/32	7/16
-5	.282	.344	2-17/32	1-9/32	1/2
-6	.345	.406	2-19/32	1-11/32	9/16
-7	.407	.469	2-21/32	1-13/32	5/8
-8	.470	.531	2-23/32	1-15/32	11/16
-9	.532	.594	2-25/32	1-17/32	3/4
-10	.595	.656	2-27/32	1-19/32	13/16
-11	.657	.719	2-29/32	1-21/32	7/8
-12	.720	.781	2-31/32	1-23/32	15/16
-13	.782	.844	3-1/32	1-25/32	1
-14	.845	.906	3-3/32	1-27/32	1-1/16
-15	.907	.969	3-5/32	1-29/32	1-1/8
-16	.970	1.031	3-7/32	1-31/32	1-3/16
-17	1.032	1.094	3-9/32	2-1/32	1-1/4
-18	1.095	1.156	3-11/32	2-3/32	1-5/16

© signs disclosed therein, and the technical data and engineering
e the exclusive property of the Huck Manufacturing Company.
l to Huck upon written request and is not to be reproduced in
o anyone else without the express written consent of Huck.
evice shown in this drawing covered by Huck U.S. Patents Nos.
754,703. Subject devices not to be manufactured, used or sold

JUN 2

CHANGES

590

DRILLING PROCEDURE				HUCK MFG. CO. DRIVING TOOLS
CLEARANCE FIT		TIGHT FIT		
PRE DRILL.	SIZE DRILL	PRE DRILL	SIZE DRILL	HUCK 126 OR HUCK 353 WITH BL-10 NOSE
21/64 .328	"S" .348	21/64 .328	11/32 .3437	

	"C"
/32	5/16
/32	3/8
/32	7/16
/32	1/2
/32	9/16
/32	5/8
/32	11/16
/32	3/4
/32	13/16
/32	7/8
/32	15/16
/32	1
/32	1-1/16
/32	1-1/8
/32	1-3/16
/32	1-1/4
/32	1-5/16

signs disclosed therein, and the technical data and engineering
e the exclusive property of the Huck Manufacturing Company.
to Huck upon written request and is not to be reproduced in
o anyone else without the express written consent of Huck.
evice shown in this drawing covered by Huck U.S. Patents Nos.
754,703. Subject devices not to be manufactured, used or sold

★ STAMP
★ ETCH

JUN 25 1958

CHANGES			
	B	PLATING REVISED	4-22-58
	C	REVISED	2-21-58
	B	QQ-P-416 TYPE 1 CLASS C	9-30-57
	A	REVISED	6-25-57
	LET.	WAS	DATE

HUCK MANUFACTURING CO

[fol. 1189] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 74

HUCK MANUFACTURING COMPANY
Aircraft Riveting Processes
2480 Bellevue Avenue
Detroit 7, Michigan

July 9, 1954.

Mr. F. R. Dickenson,
The Townsend Company,
New Brighton, Pa.

Dear Dick:

It appears as though we are in the very last stages of negotiations for our Lockbolt License, and we want you to know how pleased we are that all going so well.

There is one point on which we should like to comment and that is your entry with the lockbolt into the airframe industry prior to the first anniversary of the license.

We see no harm, but only good, in your contacting the airframe industry in order to obtain necessary tests, evaluations and approvals before you start taking orders, and, under our interpretation of the contract as drafted, you are free to do so.

However, we can foresee possible conflict if your sales presentation were such that we may be blamed for holding back a second aircraft lockbolt source. Such a possible conflict could perhaps be prevented if you presented your samples for evaluation and approval to your potential customers with the understanding that your program for marketing the aircraft lockbolt is scheduled to start at a certain pre-determined date without giving further interlocking reasons for your plans.

We would rather not put our customer relations in jeopardy by being accused of holding back a source unnecessarily without feeling free to give complete reasons why, nor would we like to give a full explanation to your potential customers in this regard, in fairness to your marketing plans. Furthermore we feel that our contractural relationship is a completely private matter between our two

companies. We do not feel that the details need be known by anyone else.

With assurance from you on these points, we see no reason why the contract as written would prevent you from carrying out your basic objectives.

[fol. 1190] Dick, it looks as if we are about to enter into a mutually enjoyable and profitable relationship which I am sure will continue for many years. It is my sincere hope that our two companies can develop this lockbolt business between us so that there will never be a need for a third source which, as you know, we both definitely do not want.

If there is ever a question or doubt in your mind on any subject, please feel free to contact me immediately so that our mutual understanding will always be open and clear. I quite agree with your psychology that you and I will be the contact for the two companies, and that our policies will be carried out by our respective Sales Organizations.

With kindest personal regards,

Sincerely, —, —.

AWA:s

Copies (not shown) to: Mr. Benkert, Mr. Dobbe, Mr. Looker, Mr. Reynolds, Mr. Stern, Mr. Sterritt.

[fol. 1190a] July 12, 1954. Sales Dept., Huck Mfg. Co.

[fol. 1191] AGREEMENT AMENDMENT

Whereas, on the 26th day of September, 1956, the Huck Manufacturing Company and Pheoll Manufacturing Company entered into a License Agreement; and

Whereas, Pheoll Manufacturing Company has legally changed its name to Voi-Shan Industries, Inc., having as its address 650 South Grand Avenue, Los Angeles 17, California.

It is agreed that said Agreement be and is hereby amended to indicate such change of name and to substitute throughout the name of Voi-Shan Industries, Inc. for Pheoll Manufacturing Company and also to indicate that the address of Voi-Shan is 650 South Grand Avenue, Los Angeles 17, California.

Huck Manufacturing Company Alfred E. Benkert, Ex Vice President.

Attest: L. B. Fielder, Asst. Secretary.

Voi-Shan Industries, Inc., Mason Phelps, President.

Attest: G. R. Bartolme, Secretary.

[fol. 1192] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 76

September 26, 1956.

AGREEMENT

This Agreement, made at Detroit, Michigan, this 26th day of September, 1956, between Huck Manufacturing Company, a corporation of Michigan, having its principal place of business at 2480 Bellevue Avenue, Detroit, Michigan (hereinafter referred to as "Huck"), and Pheoll Manufacturing Company, a corporation of Illinois, having its principal place of business at 5700 Roosevelt Road, Chicago 50, Illinois (hereinafter referred to as "Pheoll");

★ STAMP
★ ETCH

JUN 25 1958

CHANGES			
B	PLATING REVISED	4-22-58	
C	REVISED	2-21-58	
B	QQ-P416 TYPE I CLASS C	9-30-57	
A	REVISED	6-25-57	
LET.	WAS	DATE	

HUCK MANUFACTURING CO.
2480 BELLEVUE AVE.
DETROIT 7, MICH., U. S. A.

TITLE
COORDINATION DWG. OF
BL-10 5/16 BLIND HUCK BOLT

MATERIAL

HEAT TREATMENT

SCALE ~ =1 FT.
DATE 11-27-56
DR. BY RALLIN
CH. BY
APP. BY

BL-10

INDEX NUMBER
148

EXHIBIT A.

Restrictions:
This drawing, the structural designs disclosed therein, and the technical data and engi
service represented thereby are the exclusive property of the Huck Manufacturing Co
This drawing is to be returned to Huck upon written request and is not to be reprod
whole or in part or disclosed to anyone else without the express written consent of
Manufacture, use and sale of device shown in this drawing covered by Huck U.S. Pate
2,531,048, 2,531,049, and 2,754,703. Subject devices not to be manufactured, used
in violation of above patents.

FILLER SLEEVE

MATERIAL - HEAT TREATED STEEL AISI 1137 OR 1141

COLLAR

MATERIAL - MILD STEEL

WASHER

MATERIAL - NAS-143-4

ALL COMPONENT PARTS OF THE BLIND HEX-BOLT ARE CADMIUM PLATED PER QQ-P-416 TYPE I CLASS 3. COLLAR HAS (B) DICHROMATE POST TREATMENT PER QQ-P-416 TYPE II CLASS 3

-12	.720	.781	2-31/32	1-23/32	1 5/16
-13	.782	.844	3-1/32	1-25/32	1
-14	.845	.906	3-3/32	1-27/32	1-1/16
-15	.907	.969	3-5/32	1-29/32	1-1/8
-16	.970	1.031	3-7/32	1-31/32	1-3/16
-17	1.032	1.094	3-9/32	2-1/32	1-1/4
-18	1.095	1.156	3-11/32	2-3/32	1-5/16
-19	1.157	1.219	3-13/32	2-5/32	1-3/8
-20	1.220	1.281	3-15/32	2-7/32	1-7/16
-21	1.282	1.344	3-17/32	2-9/32	1-1/2
-22	1.345	1.406	3-19/32	2-11/32	1-9/16
-23	1.407	1.469	3-21/32	2-13/32	1-5/8
-24	1.470	1.531	3-23/32	2-15/32	1-11/16

Restrictions:
This drawing, the structural designs disclosed therein, and service represented thereby are the exclusive property of Huck. This drawing is to be returned to Huck upon written request or in part or disclosed to anyone else without written consent. Manufacture, use and sale of device shown in this drawing under U.S. Pat. Nos. 2,531,048, 2,531,049, and 2,754,703. Subject devices to validation of above patents.

FRACTIONAL DIMENSIONS
TO BE HELD ± .010

Witnesseth:

Whereas, Huck is the owner of the following United States Letters Patent and applications for Letters Patent relating to lockbolt devices which are two-part fastening devices including a pin or stump and collar, and in which the collar is swaged into locking grooves in the pin or stump simultaneously with the setting of the fastener, such devices being hereinafter referred to as "lockbolt devices";

Patent No. 2,527,307, granted 10-24-50 for "Rivet and Method of Riveting".

Patent No. 2,531,048, granted 11-21-50 for "Fastening Device".

Patent No. 2,531,049, granted 11-21-50 for "Fastening Device".

Patent No. 2,754,703, granted 7-17-56 for "Method of Fastening".

Application Serial No. 378,897, filed 9-8-53, for "Lockbolt Collar".

Application Serial No. 427,719, filed 5-5-54, for "Lockbolt Construction".

Whereas, Huck is engaged in the manufacture and sale of said lockbolt devices (pins and collars) covered by said Letters Patent, including lockbolt stumps (Exhibits 1 and 2 attached hereto as illustrative);

[fol. 1193] Whereas, Pheoll desires a limited, nonexclusive license to manufacture and sell such lockbolt devices only when made of titanium or titanium alloys (referred to hereinafter as "titanium") and Huck is desirous of licensing Pheoll for the manufacture and sale of such titanium lockbolt devices; and

Whereas, Pheoll has or will obtain the manufacturing and sales facilities for the manufacture and sale of said titanium lockbolt devices;

Now, Therefore, in consideration of the mutual covenants and agreements hereinafter contained, it it agreed by and between the parties hereto as follows:

1. Huck hereby grants to Pheoll a limited, nonexclusive right and license under the aforesaid United States Letters Patent and applications for Letters Patent, including Letters Patent and applications for Letters Patent on im-

provements on said lockbolt devices and substitutes therefor of the same type of lockbolt devices, to manufacture, use and sell titanium lockbolt devices covered by the claims in said Letters Patent and any Letters Patent that may issue on said applications for Letters Patent, and to practice the methods claimed therein. This license also applies to titanium lockbolt devices covered by any renewals, continuations, divisions of, or substitutes for, said applications for Letters Patent, and also any reissues or extensions of any of said Letters Patent. This license is limited to lockbolt devices manufactured from titanium.

2. Pheoll agrees to pay to Huck:

(a) The sum of Fifteen Thousand Dollars ($15,000.00) upon execution of this agreement.

[fol. 1194] (b) A royalty of five per cent (5%) on the net selling price of all lockbolt devices, (pins, stumps and/or collars) manufactured and sold by Pheoll which are covered in the manufacture, use or sale thereof by any claim of any of the Letters Patent licensed herein and on the net selling price of all lockbolt stumps incorporating the design features of Exhibits 1 and 2. By "net selling price" the parties hereto mean the net selling price of lockbolt devices (pins, stumps and/or collars) charged by Pheoll, less all normal discounts allowed and taken, according to accepted accounting practice. Lockbolt devices licensed herein and sold to Huck, or other licensees of Huck, designated in writing by Huck, shall not be subject to royalty.

Royalty

3. Pheoll shall keep proper books of account showing sales of lockbolt devices under this agreement, and agrees to report to Huck by the twentieth of each month the lockbolt devices sold by it during the preceding month, tabulating in such report the diameter, grip, headstyle and titanium alloy of pieces sold, together with the number of pieces in each category and the dollar amount, for the month being reported. Lockbolt devices shall be considered sold when billed out or, if not billed out, when delivered or paid for before delivery. In computing sales of lockbolt devices credit shall be given for returned lockbolt devices. Lockbolt devices which are given out as samples without charge to the customer shall not be subject to royalty.

Payment and reports

4. Within twenty (20) days following the last day of August, November, February and May, Pheoll will submit a written statement [fol. 1195] giving the total sales of lockbolt devices subject to royalty under this agreement for the quarter being reported, and accompany such quarterly report with payment of the royalty then due.

5. Huck shall have access to the books and records of Pheoll at all reasonable times to check the amount of sales of lockbolt devices made hereunder by Pheoll from time to time, provided, however, that Pheoll may, at its election, substitute for Huck's examination a certificate of a mutually agreed upon firm of certified public accountants as to the amount of said sales and as to any other figures that will determine the amount of royalties payable thereon. Huck will not require an examination or such certified statement more often than once a year.

6. In the event that Pheoll fails to comply with the terms of reports and royalty payments specified herein, and so often as the same shall happen, or breaches any other material provisions of this agreement, Huck may, at its option, by giving sixty (60) days' notice in writing, specifying the breach complained of, terminate this agreement and the license granted hereby, provided, however, that if the breach complained of shall be corrected by Pheoll within thirty (30) days after the mailing of said notice, then this agreement shall remain in full force and effect.

Minimum royalties

7. It is agreed that, for the first year of this agreement, no minimum royalties are required. However, beginning with the second year of this agreement, computed from the anniversary date hereof, [fol. 1196] in the event that Pheoll has not paid to Huck by the end of the reporting period for the second year an amount of Fifteen Thousand Dollars ($15,000.00) for the second year and Fifteen Thousand Dollars ($15,000.00) for each succeeding year thereafter in earned or unearned royalties, then Huck may, at its option, terminate this license by notice as provided in Paragraph 6.

8. Pheoll hereby grants to Huck a nonexclusive, royalty-free license on any improvements on lockbolt devices of any material made or acquired by Pheoll during the life of

this agreement coming within the claims of the licensed patents, or lockbolt devices of any material and of the same type which are substitutes for the lockbolt devices licensed herein by Huck.

9. For lockbolt devices sold by Pheoll as Huck equals, Pheoll agrees to maintain Huck's quality for full equivalence in shear, tension and fatigue, for aircraft shear and tension allowables as defined or as may be defined by ANC5 Manual and any other government regulatory specification, and for commercial lockbolt devices typical strength properties defined in Huck-published commercial lockbolt engineering bulletins, which Huck agrees to supply to Pheoll.

10. Pheoll agrees to suitably identify the lockbolt devices as manufactured and sold by it to distinguish from the lockbolt devices manufactured and sold by Huck, and other Huck licensees, the manner of so distinguishing the lockbolt devices to be mutually determined hereinafter.

11. Notice as herein provided shall be in writing and shall mean the placing of the notice in the mails, registered-[fol. 1197] return, postage prepaid, to the party being notified at the address above given, or at such other address designated by the parties hereto, or by otherwise delivering to the other party such notice.

12. The license herein granted is nontransferable without the written consent of Huck first had and obtained, except to the successors of the entire fastener business of Pheoll, and this agreement shall be binding upon, and inure to the benefit of, any such transferee of Pheoll and the successors and assigns of Huck.

13. Unless previously terminated in accordance with the terms hereof, this agreement and the license herein granted shall extend for the full term of the United States Letters Patent which are or may be included in this agreement, and shall terminate at the expiration of the last to expire of said patents.

14. Huck agrees to furnish Pheoll without compensation with complete manufacturing and tooling knowhow, including all methods, procedures and reports, it now has or later acquires with respect to the manufacture, testing, research, development, production and use of, or relating to said licensed titanium lockbolt devices.

15. Pheoll agrees to furnish Huck alone (except to others to whom Pheoll may be already under contractual obligation to furnish) without compensation with complete manufacturing and tooling knowhow, including all methods, procedures and reports, it now has or later acquires with respect to the manufacture, testing, research, development, production and use of, or relating to said licensed titanium lockbolt devices.

[fol. 1198] 16. If Huck has granted, or at any time hereafter grants, a license for the United States to another to manufacture, use and sell the titanium lockbolt devices licensed herein under terms or conditions more favorable than those of the license herein granted, Pheoll shall be promptly notified and entitled to have such more favorable license in its entirety. However, this shall not apply to any licenses granted by Huck in settlement or compromise of any interference in the United States Patent Office or any infringement litigation in the United States courts.

17. In the event that a court of final jurisdiction holds any of the claims of any United States Letters Patent licensed by Huck to Pheoll hereunder invalid, then Pheoll shall thereafter be permitted to make, use and sell licensed lockbolt devices, and practice any licensed method, covered by the claim or claims so held to be invalid and not covered by any other claim or claims of a patent licensed by Huck to Pheoll hereunder, free and clear of any of the stipulations and covenants of this agreement, including the payment of royalty.

18. Pheoll agrees to properly affix the necessary statutory patent notices to all of the containers within which the lockbolt devices herein licensed are shipped and to include in all Pheoll advertisements and standard drawings relating thereto similar notices; such notices to include the legend "Licensed under the following Huck patents:", to be followed by a list of the aforesaid patents and other patents as they issue and become a part of this license.

[fol. 1199] 19. That in the event Pheoll becomes insolvent or executes an assignment for the benefit of creditors or files a petition in bankruptcy, or has a petition in bankruptcy filed against it, Huck may terminate this agreement by giving notice thereof to Pheoll.

20. After this agreement has been in effect for five (5) years Pheoll may thereafter at its option surrender its licence hereunder by one (1) year's notice to Huck.

21. This agreement shall be construed under the laws of Michigan.

Signed at Chicago, in the County of Cook and State of Illinois this 26th day of September, 1956.

Huck Manufacturing Company, By A. W. Armour III, Its President.

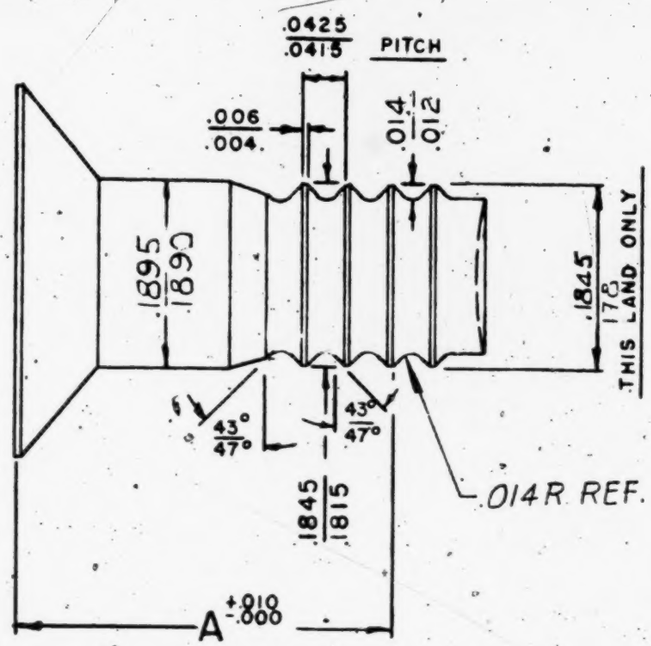
Attest: Louis B. Fielder, Its Assistant Secretary.

Signed at Chicago, in the County of Cook and State of Illinois, this 26th day of September, 1956.

Pheoll Manufacturing Company, By Mason Phelps, Its President.

Attest: R. O. Lyon, Its Assistant Secretary-Assistant Treasurer.

393



FOR REFERENCE ONLY

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4	.430
5	.492
6	.555
7	.617
8	.680
9	.742
10	.805
11	.867
12	.930
13	.992
14	1.055
15	1.117
16	1.180
17	1.242
18	1.305
19	1.367
20	1.430
21	1.492

GRIP Nº	A
ABSCT 509 P6-22	1.555
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24	1.680
25	1.742
26	1.805
27	1.867
28	1.930
29	1.992
30	2.055
31	2.117
32	2.180
33	2.242
34	2.305
35	2.367
36	2.430
37	2.492
38	2.555
39	2.617
40	2.680
41	2.742

GRIP Nº	A
ABSCT 509 P6-42	2.805
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44	2.930
45	2.992
46	3.055
47	3.117
48	3.180
49	3.242
50	3.305
51	3.367
52	3.430
53	3.492
54	3.555
55	3.617
56	3.680

FRACTIONAL DIMENSIONS TO BE HELD ±.010

SEQUENCE OF OPERATION

COLD HEAD
GRIND
ROLL
HEAT TREAT AS PER WORK ORDER
LUBRICATE STOCK

SEP 19 1956

CHANGES	LET.	WAS	BY	DATE

HUCK MANUFACTURING CO.
2480 BELLEVUE AVE.
DETROIT 7, MICH., U.S.A.

TITLE
ASCT 509-P6

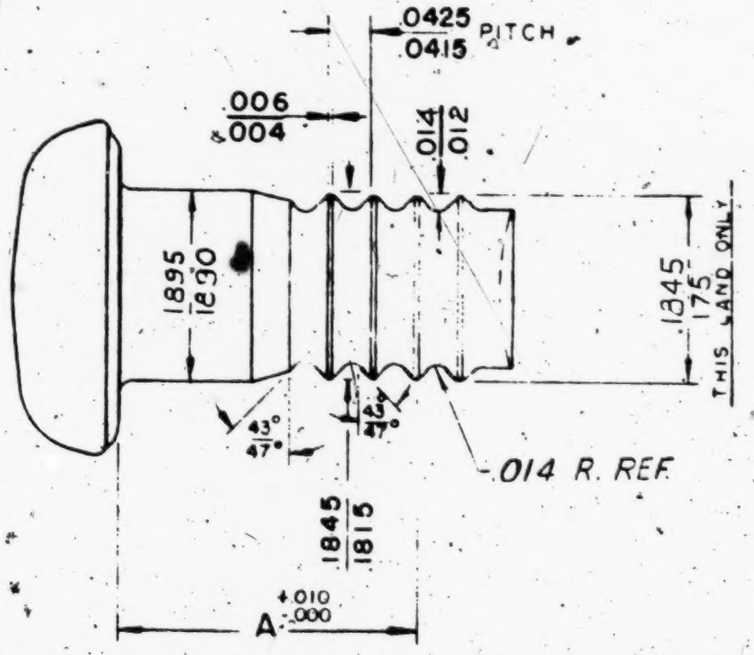
MATERIAL TITANIUM R C 130 AM
HEAT TREATMENT

SCALE —— =1 FT
DATE 5-3-56
DR. BY S J
CH. BY
APP. BY

INDEX NUMBER
393

Exhibit 1

389



SEQUENCE OF OPERATION

COLD HEAD
GRIND
ROLL
HEAT TREAT AS PER WORK ORDER
LUBRICATE
STOCK

FOR REFERENCE ONLY

SEP 19 1956

GRIP Nº	A
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2	.305
3	.367
4	.430
5	.492
6	.555
7	.617
8	.680
9	.742
10	.805
11	.867
12	.930
13	.992
14	1.055
15	1.117
16	1.180
17	1.242
18	1.305
19	1.367
20	1.430

GRIP Nº	A
ALSFP6-21	1.492
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23	1.617
24	1.680
25	1.742
26	1.805
27	1.867
28	1.930
29	1.992
30	2.055
31	2.117
32	2.180
33	2.242
34	2.305
35	2.367
36	2.430
37	2.492
38	2.555
39	2.617
40	2.680

GRIP Nº	A
ALSFP6-41	2.742
42	2.805
43	2.867
44	2.930
45	2.992
46	3.055
47	3.117
48	3.180
49	3.242
50	3.305
51	3.367
52	3.430
53	3.492
54	3.555
55	3.617
56	3.680

FRACTIONAL DIMENSIONS TO BE HELD .010

CHANGES

LET	MAD	DATE

HUCK MANUFACTURING CO
2480 DELLEVUE AVE
DETROIT 7 MICH U S A

TITLE
ALSF-P6

MATERIAL TITANIUM RC130AM
HEAT TREATMENT

SCALE 4/1 1 FT
DATE 5-2-56
DR. BY G. J. V.
CH. BY [illegible]
APPR BY

INDEX NUMBER
389

Exhibit 2

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[fol. 1202] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 77

September 28, 1956.

AGREEMENT

This Agreement, made at Detroit, Michigan, this 4th day of October, 1956, between Huck Manufacturing Company, a corporation of Michigan, having its principal place of business at 2480 Bellevue Avenue, Detroit, Michigan (hereinafter referred to as "Huck"), and Standard Pressed Steel Company, a corporation of Pennsylvania, having its principal place of business at Jenkintown, Pennsylvania, (hereinafter referred to as "Standard");

Witnesseth:

Whereas, Huck is the owner of the following United States Letters Patent and applications for Letters Patent relating to lockbolt devices which are two-part fastening devices including a pin or stump and collar, and in which the collar is swaged into locking grooves in the pin or stump simultaneously with the setting of the fastener, such devices being hereinafter referred to as "lockbolt devices";

Patent No. 2,527,307, granted 10-24-50 for "Rivet and Method of Riveting".

Patent No. 2,531,048, granted 11-21-50 for "Fastening Device".

Patent No. 2,531,049, granted 11-21-50 for "Fastening Device".

Patent No. 2,754,703, granted 7-17-56 for "Method of Fastening".

Application Serial No. 378,897, filed 9-8-53, for "Lockbolt Collar".

Application Serial No. 427,719, filed 5-5-54, for "Lockbolt Construction".

Whereas, Huck is engaged in the manufacture and sale of said lockbolt devices (pins and collars) covered by said

Letters Patent, including lockbolt stumps (Exhibits 1 and 2 attached hereto as illustrative);

[fol. 1203] Whereas, standard desires a limited non-exclusive license to manufacture and sell such lockbolt devices only when made of titanium or titanium alloys (referred to hereinafter as "titanium") and Huck is desirous of licensing Standard for the manufacture and sale of such titanium lockbolt devices; and

Whereas, Standard has or will obtain the manufacturing and sales facilities for the manufacture and sale of said titanium lockbolt devices;

Now, Therefore, in consideration of the mutual covenants and agreements hereinafter contained, it is agreed by and between the parties hereto as follows:

1. Huck hereby grants to Standard a limited, nonexclusive right and license under the aforesaid United States Letters Patent and applications for Letters Patent, including Letters Patent and applications for Letters Patent on improvements on said lockbolt devices and substitutes therefor of the same type of lockbolt devices, to manufacture, use and sell titanium lockbolt devices covered by the claims in said Letters Patent and any Letters Patent that may issue on said applications for Letters Patent, and to practice the methods claimed therein. This license also applies to titanium lockbolt devices covered by any renewals, continuations, divisions of, or substitutes for, said applications for Letters Patent, and also any reissues or extensions of any of said Letters Patent. This license is limited to lockbolt devices manufactured from titanium.

2. Standard agrees to pay to Huck:

(a) The sum of Fifteen Thousand Dollars ($15,000.00) upon execution of this agreement.

[fol. 1204] (b) A royalty of Five per cent (5%) on the net selling price of all lockbolt devices, (pins, stumps and/or collars) manufactured and sold by Standard which are covered in the manufacture, use or sale thereof by any claim of any of the Letters Patent licensed herein and on the net selling price of all lockbolt stumps incorporating the design features of Exhibits 1 and 2. By "net selling price" the parties hereto mean the net selling price of lockbolt devices (pins, stumps and/or collars) charged by Standard, less all normal discounts allowed and taken,

according to accepted accounting practice. Lockbolt devices licensed herein and sold to Huck, or other licensees of Huck, designated in writing by Huck, shall not be subject to royalty.

3. Standard shall keep proper books of account showing sales of lockbolt devices under this agreement, and agrees to report to Huck by the twentieth of each month the lockbolt devices sold by it during the preceding month, tabulating in such report the diameter, grip, headstyle and titanium alloy of pieces sold, together with the number of pieces in each category and the dollar amount, for the month being reported. Lockbolt devices shall be considered sold when billed out or, if not billed out, when delivered or paid for before delivery. In computing sales of lockbolt devices credit shall be given for returned lockbolt devices. Lockbolt devices which are given out as samples without charge to the customer shall not be subject to royalty.

4. Within twenty (20) days following the last day of August, November, February and May, Standard will [fol. 1205] submit a written statement giving the total sales of lockbolt devices subject to royalty under this agreement for the quarter being reported, and accompany such quarterly report with payment of the royalty then due.

5. Huck shall have access to the books and records of Standard at all reasonable times to check the amount of sales of lockbolt devices made hereunder by Standard from time to time, provided, however, that Standard may, at its election, substitute for Huck's examination a certificate of a mutually agreed upon firm of certified public accountants as to the amount of said sales and as to any other figures that will determine the amount of royalties payable thereon. Huck will not require an examination or such certified statement more often than once a year.

6. In the event that Standard fails to comply with the terms of reports and royalty payments specified herein, and so often as the same shall happen, or breaches any other material provisions of this agreement, Huck may, at its option, by giving sixty (60) days' notice in writing, specifying the breach complained of, terminate this agreement and the license granted hereby, provided, however, that if the breach complained of shall be corrected by Standard

within thirty (30) days after the mailing of said notice, then this agreement shall remain in full force and effect.

7. It is agreed that, for the first year of this agreement, no minimum royalties are required. However, beginning with the second year of this agreement, computed from the anniversary date hereof, in the event that Standard [fol. 1206] has not paid to Huck by the end of the reporting period for the second year an amount of Fifteen Thousand Dollars ($15,000.00) for the second year and Fifteen Thousand Dollars ($15,000.00) for each suceeding year thereafter in earned or unearned royalties, then Huck, may, at its option, terminate this license by notice as provided in Paragraph 6.

8. Standard hereby grants to Huck a non-exclusive, royalty-free license on any improvements on lockbolt devices of any material made or acquired by Standard during the life of this agreement coming within the claims of the licensed patents, or lockbolt devices of any material and of the same type which are substitutes for the lockbolt devices licensed herein by Huck.

9. For lockbolt devices sold by Standard as Huck equals, Standard agrees to maintain Huck's quality for full equivalence in shear, tension and fatigue, for aircraft shear and tension allowables as defined or as may be defined by ANC5 Manual and any other governmental regulatory specification, and for commercial lockbolt devices typical strength properties defined in Huck-published commercial lockbolt engineering bulletins, which Huck agrees to supply to Standard.

10. Standard agrees to suitably identify the lockbolt devices as manufactured and sold by it to distinguish from the lockbolt devices manufactured and sold by Huck, and other Huck licensees, the manner of so distinguishing the lockbolt devices to be mutually determined hereinafter.

11. Notice as herein provided shall be in writing and shall mean the placing of the notice in the mails, registered [fol. 1207] return, postage prepaid, to the party being notified at the address above given, or at such other address designated by the parties hereto, or by otherwise delivering to the other party such notice.

12. The license herein granted is nontransferable without the written consent of Huck first had and obtained,

except to the successors of the entire fastener business of Standard, and this agreement shall be binding upon, and inure to the benefit of, any such transferee of Standard and the successors and assigns of Huck.

13. Unless previously terminated in accordance with the terms hereof, this agreement and the license herein granted shall extend for the full term of the United States Letters Patent which are or may be included in this agreement, and shall terminate at the expiration of the last to expire of said patents.

14. Huck agrees to furnish Standard without compensation with complete manufacturing and tooling know-how, including all methods, procedures and reports, it now has or later acquires with respect to the manufacture, testing, research, development, production and use of, or relating to said licensed titanium lockbolt devices.

15. Standard agrees to furnish Huck alone (except to others to whom Standard may be already under contractual obligation to furnish) without compensation with complete manufacturing and tooling know-how, including all methods, procedures and reports, it now has or later acquires with respect to the manufacture, testing, research, development, production and use of, or relating to said licensed titanium lockbolt devices.

[fol. 1208] 16. If Huck has granted, or at any time hereafter grants, a license for the United States to another to manufacture, use and sell the titanium lockbolt devices licensed herein under terms or conditions more favorable than those of the license herein granted, Standard shall be promptly notified and entitled to have such more favorable license in its entirety. However, this shall not apply to any licenses granted by Huck in settlement or compromise of any interference in the United States Patent Office or any infringement litigation in the United States courts.

17. In the event that a court of final jurisdiction holds any of the claims of any United States Letters Patent licensed by Huck to Standard hereunder invalid, then Standard shall thereafter be permitted to make, use and sell licensed lockbolt devices, and practice any licensed method, covered by the claim or claims so held to be invalid and not covered by any other claim or claims of a patent licensed by Huck to Standard hereunder, free and

clear of any of the stipulations and covenants of this agreement, including the payment of royalty.

18. Standard agrees to properly affix the necessary statutory patent notices to all of the containers within which the lockbolt devices herein licensed are shipped and to include in all Standard advertisements and standard drawings relating thereto similar notices; such notices to include the legend "Licensed under the following Huck patents", to be followed by a list of the aforesaid patents and other patents as they issue and become a part of this license.

[fol. 1209] 19. That in the event Standard becomes insolvent or executes an assignment for the benefit of creditors or files a petition in bankruptcy, or has a petition in bankruptcy filed against it, Huck may terminate this agreement by giving notice thereof to Standard.

20. After this agreement has been in effect for five (5) years Standard may thereafter at its option surrender its license hereunder by one (1) year's notice to Huck.

21. This agreement shall be construed under the laws of Michigan.

Signed at Jenkintown, in the County of Montgomery and State of Pennsylvania this 4th day of October, 1956.

Huck Manufacturing Company, By A. W. Armour, III, Its President.

Attest: A. E. Benkert, Its Exec. Vice President.

Signed at Jenkintown, in the County of Montgomery and State of Pennsylvania, this 4th day of October, 1956.

Standard Pressed Steel Company, By James V. Lester, Its Treasurer.

Attest: W. I. Kryder, Its Secretary.

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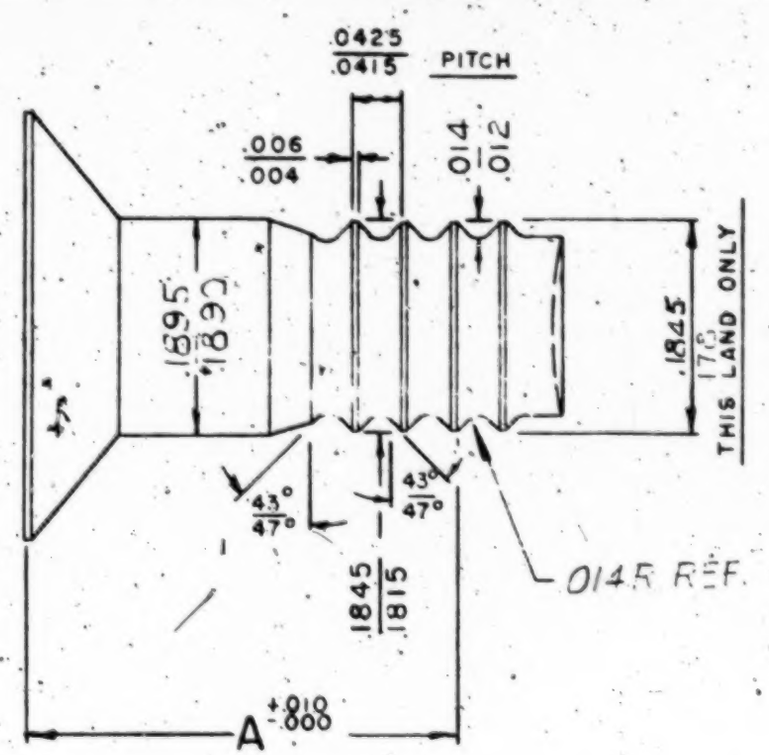

SEQUENCE OF OPERATION

COLD HEAD
GRIND
ROLL
HEAT TREAT AS PER WORK ORDER
LUBRICATE
STOCK

OCT -1 1956

GRIP Nº	A
ABSCT-509 P6-2	.305
3	.367
4	.430
5	.492
6	.555
7	.617
8	.680
9	.742
10	.805
11	.867
12	.930
13	.992
14	1.055
15	1.117
16	1.180
17	1.242
18	1.305
19	1.367
20	1.430
21	1.492

GRIP Nº	A
ABSCT 509 P6-22	1.555
23	1.617
24	1.680
25	1.742
26	1.805
27	1.867
28	1.930
29	1.992
30	2.055
31	2.117
32	2.180
33	2.242
34	2.305
35	2.367
36	2.430
37	2.492
38	2.555
39	2.617
40	2.680
41	2.742

GRIP Nº	A
ABSCT 509 P6-42	2.805
43	2.867
44	2.930
45	2.992
46	3.055
47	3.117
48	3.180
49	3.242
50	3.305
51	3.367
52	3.430
53	3.492
54	3.555
55	3.617
56	3.680

FRACTIONAL DIMENSIONS TO BE HELD ± .010

CHANGES				
LET	WAS		BY	DATE

HUCK MANUFACTURING CO.
2480 BELLEVUE AVE.
DETROIT 7, MICH., U.S.A.

TITLE
ASCT 509-P6

MATERIAL TITANIUM RC 130 AM
HEAT TREATMENT

SCALE — = 1 FT
DATE 5-
DR BY
CH BY
APP BY

INDEX NUMBER
393

Exhibit 1

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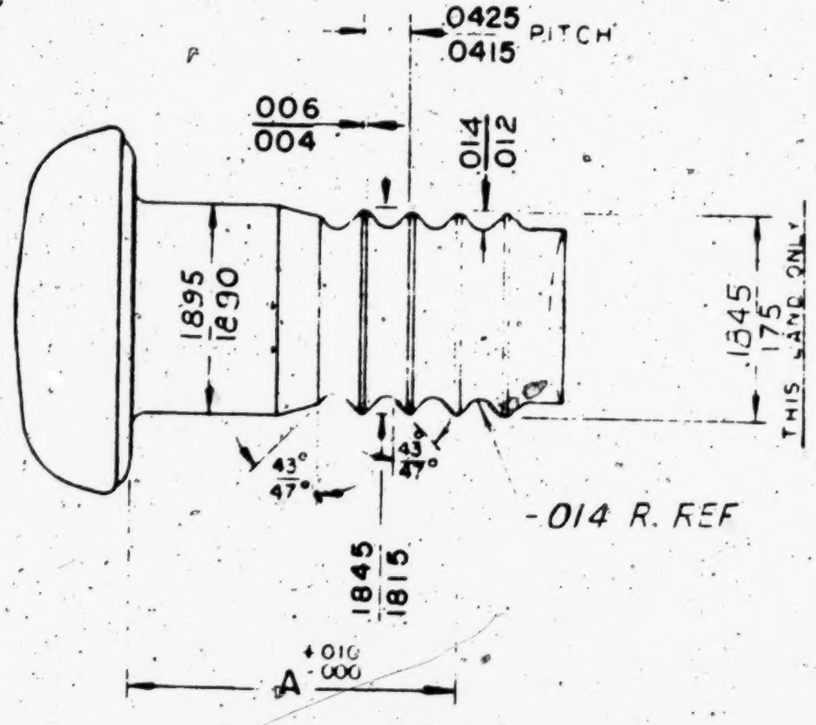


SEQUENCE OF OPERATION

COLD HEAD
GRIND
ROLL
HEAT TREAT AS PER WORK ORDER
LUBRICATE
STOCK

OCT -1 1956

GRIP No	A
ALSFP6- 1	.242
2	.305
3	.367
4	.430
5	.492
6	.555
7	.617
8	.680
9	.742
10	.805
11	.867
12	.930
13	.992
14	1.055
15	1.117
16	1.180
17	1.242
18	1.305
19	1.367
20	1.430

GRIP No	A
ALSFP6-21	1492
22	1.555
23	1.617
24	1680
25	1.742
26	1805
27	1867
28	1930
29	1992
30	2055
31	2117
32	2180
33	2242
34	2305
35	2367
36	2430
37	2492
38	2555
39	2617
40	2680

GRIP NO	A
ALSFP6-41	2742
42	2.805
43	2867
44	2930
45	2992
46	3055
47	3117
48	3180
49	3242
50	3305
51	3367
52	3430
53	3492
54	3555
55	3617
56	3680

FRACTIONAL DIMENSIONS TO BE HELD ± .010

CHANGES

HUCK MANUFACTURING CO
DETROIT MICH U.S.A.

TITLE

ALSF-P6

MATERIAL TITANIUM ROBCAM
HEAT TREATMENT

SCALE FULL
DATE 5-2-56
DR. G.J.
CH. BY
APPR.

INDEX NUMBER
389

Exhibit 2

[fol. 1212] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 78

FASTEX
Division of Illinois Tool Works
Des Plaines, Ill.

November 6, 1959.

Mr. A. Watson Armour, III,
316 South LaSalle Street,
Chicago, Illinois
Dear Watson:

I had the pleasure of talking with Mr. John Sterritt and Mr. Harold Brilmyer associated with your company about your interest in obtaining a license under some of our rivet patents.

We generally discussed the broad terms and provisions of such an agreement which would be invoked were your company to come up with a commercial product. In general we are disposed to re-establish a licensing arrangement with your company and one which we hope would be quite amicable.

During the course of this discourse, I suggested that your company might give further consideration to granting us a license under your lockbolt patents and I thought I would merely confirm this to you as Messrs. Brilmyer and Sterritt undoubtedly will be discussing this with you.

It is conceivable to me that if we were to give consideration to both of these programs jointly, it might permit the establishment of the friendly licensing arrangement referred to above on a more positive basis. Perhaps at your convenience and before this entire matter goes too far, we would have an opportunity to sit down and discuss this subject in a little greater detail.

Perhaps you could call me at your convenience and we may arrange to get together and discuss this whole subject.

Sincerely, Silas S. Cathcart, Vice President-General Manager.

Copies to: AEB, HGB, JCS, CBA, CQM.

[fol. 1213] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 79

HUCK MANUFACTURING COMPANY
Telephone Confirmation Record

Date: 4-21-59.

Call From:

Company: Townsend Company.

City-State: New Brighton, Pa.

Contact: Paul Horst.

Copies to: AWA, HGB, GQM, PJR, AMS, JCS, √ file f/u.

Message: Paul Horst called to talk about the large diameter lockbolt program.

1. They do not intend to spend the money at this time on a promotional program to sell the large diameter lockbolt in the construction industry.
In this connection they are talking about the 5/8", 3/4" and 1" diameters.

It is not their intent to tool up their headers for these diameters now to have any finished inventory.

They feel they are so far away from any appreciable market that to spend any money on this now would not be good judgment.

2. They have three headers at New Brighton that will head over 1/2" diameter (5/8" and 3/4") but these headers would be limited as to length of pin. This limitatation was not known at the moment, but they will clarify this in their forthcoming letter.

3. They can head blanks up to 1" diameter in their Dunn Steel plant at Plymouth, Michigan, however, they do not consider Dunn Steel in the problem.

[fol. 1214] 4. They understand their cost of the proposed joint advertising program would be $20,000.

They do not wish to go along, and have inquired "Where do we stand on this joint advertising program?"

5. They want us to tell them what is the minimum they must do so that we will not find it necessary to get a third licensee in the picture to cover the large diameters. They propose to be a token source only, but want to talk about this further if we are not entirely satisfied with this.

Received April 24, 1959, Harness, Dickey & Pierce, Detroit, Mich.

Attention of: J. C. S. √

A. E. Benkert.

svb

[fol. 1215] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 80

Total Annual Sales for Lockbolts and Blind Rivets in the U.S.A. and the Foreign Market

January 1, 1950–September 14, 1960

Sales in the U.S.A.	Lockbolts	Blind Rivets
1950	$ 433,795.14	$ 84,726.09
1951	1,444,834.55	264,990.96
1952	1,384,213.78	430,952.22
1953	1,250,626.64	270,533.87
1954	1,675,104.83	278,349.10
1955	2,659,130.77	577,187.68
1956	3,500,340.80	685,547.71
1957	5,036,785.03	622,478.53
1958	4,405,148.46	499,417.54
1959	5,530,418.32	666,291.40
1960	3,577,720.96	367,297.54
Total	$30,898,119.28	$ 4,747,772.64
Sales in the Foreign Market		
1950	$ 5,397.83	$ 3,664.41
1951	57,070.64	880.44
1952	147,937.54	7,285.60
1953	135,338.38	26,553.30
1954	38,126.02	21,573.40
1955	14,100.47	16,070.87
1956	73,626.46	46,874.35
1957	138,327.86	27,777.95
1958	159,670.76	32,896.68
1959	214,220.46	23,168.38
1960	228,034.47	12,302.49
Total	$ 1,211,850.89	$ 219,047.87

[fol. 1216] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 82

HUCK MANUFACTURING COMPANY
Specialists in Cold Heading
Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

July 23, 1956.

Mr. F. R. Dickenson, President,
Townsend Company,
New Brighton, Pennsylvania.

Dear Dick:

A review of our respective methods of introducing non-standard and special Huckbolts to the market indicates a need for closer control and liaison.

At the present time either of our companies can introduce a slight deviation to a standard product which could obsolete large stocks of standard products for the other.

It is recommended that you give consideration to a reciprocating agreement where deviations and specials not otherwise released by Huck be discussed with us prior to offering for sale and we disclose the same information to your company. By doing this, we can assure both yourself and ourselves that neither will introduce deviations which may result in costly stock obsolescence.

May we have comments on this matter.

Very truly yours, Huck Manufacturing Company, George Q. Mathews, Vice President in Charge of Sales.

GQM:mb

cc: Armour, C. Armour, Benkert, Braund, Brilmyer, Paul Horst, Sterritt, File.

[fol. 1217] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 83

HUCK MANUFACTURING COMPANY
Departmental Correspondence

September 14, 1956.

Subject: Townsend Price Changes.

To: Mr. A. E. Benkert.

Copies: File.

From: G. Q. Mathews.

Would you arrange with Townsend to make new prices effective October ~~9~~, (11), 1956.

If they agree would you please call Hubert and tell him the effective date to use on literature he now has.

I have released everything to Hubert except commercial Huckbolts and will give him that Monday. If he is ready to go to print on any of the price lists they should go ahead. It will not be necessary to hold for my return.

(Letter released September 18, 1956)

Would you and Mr. Armour consider releasing our letter about one week ahead of effective date. This could assist in softening the price in effect at time of shipment and even if we did get a flurry of orders, it would be helpful as we have a high inventory and low backlog.

Will discuss further this week end, or I can be reached at the Biltmore Hotel in Dayton, Ohio.

Regards, George Q. Mathews.

GQM:ht

New Prices & Price Changes.

G. J. #64: October 24, 1961, M.L.L.

[fol. 1218] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 84

Mail Tues. 25th

September 14, 1956.

cc: Mr. A. Armour, Mr. Benkert

Proposed Letter to All Huck Customers

Many of our customers have requested that Huck adopt freight allowed as part of our Standard Terms of Purchase. We are now ready to announce such a policy.

Effective with all shipments on and after October 1, 1956, the following terms will apply:

Blind Rivets

All prices are subject to Huck Manufacturing Company's Standard terms of ½ of 1%, ten days—net 30 days, f.o.b. shipping point, freight allowed on 50 lbs. or more via carrier of our choice.

Huckbolts and Collars:

All prices are subject to Huck Manufacturing Company's standard terms of ½ of 1%, ten days—net 30 days, f.o.b. shipping point, freight allowed on 100 lbs. or more via carrier of our choice. The steel and aluminum general price increases plus the added increased labor and supply costs force us to adjust our selling prices.

Orders presently on hand and scheduled for delivery will be invoiced at present quoted prices and shipped f.o.b. (shipping point) freight allowed if the scheduled shipment qualifies under the new terms as outlined above. Orders received on and after October 9 (1), 1956, will be accepted at new adjusted prices and will be invoiced under terms of, "price in effect at time of shipment", freight allowed as outlined previously. Revised price sheets are being printed and will be forwarded at an early date. We appreciate your cooperation and look forward to being of greater service to you in the future.

[fol. 1219] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 85

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: September 25, 1956.

Subject: Price Adjustment—Pricing Policy—Effective October 1, 1956.

To: All Engineering Representatives.

From: G. Q. Mathews.

Copies: A. W. Armour, Benkert, Messer, Tenny, Kruse, Westrick, Welsh, Albritton, Brilmyer, Van Hecke.

File: C. Armour, Dobbe.

You will please carefully read and note all the information contained in the attached enclosures.

Contained herein are copies of each of the following:

1. A letter to our customers—subject: Price Adjustment.
2. An amendment that will supplement our existing quotation and acknowledgment forms 5-144 and 5-146.
3. One copy each of the adjusted standard parts price lists. Price lists of non-standard parts will follow.

This information was mailed to you via air mail on September 25, 1956. The letter to the customers was mailed to your customers via first class mail on September 25, 1956.

You will note that the new printed price lists will be separated into categories according to materials—either aluminum or steel.

Effective October 1st, Western prices will prevail in the following states regardless of shipping point and without exception:

Washington
Oregon

California
Idaho
Nevada
Utah
Arizona

In the letter to our customers entitled "Price Adjustment", carefully note paragraph 4 under "Huckbolts And Collars", which states:

> Orders received on and after October 1, 1956, will be accepted at new adjusted prices and will be invoiced under terms of, "price in effect at time of shipment", freight allowed as outlined previously.

[fol. 1220] Our freight allowed policy does not permit the grouping of blind rivets with Huckbolts and/or Collars to meet minimum shipping weight qualifications.

Your strict adherence to the policies defined herein is expected without exception.

Best regards, George Q. Mathews (EK)

GQM/by

cc: Adams, Black, Jones, Miller, Butt, Strother, Rufi, Unfried, Brackeen, Villacres, Steele, Wild, Upton, Walsh, Darling, Bortner, Clute, Hunt, DeLoach, Hicks, Egnot, Hanneman, Newton, Salogga, Miner, Huegin, Crook, Proffitt, Morgan, Gillespie, Perran, Thomson.

[fol. 1220a] HUCK MANUFACTURING COMPANY

Revised General Conditions

Clause 2 Prices—Effective October 1, 1956, Item #2 of our "General Conditions" on the reverse side of the attached acknowledgment or quotation is amended in its entirety to read as follows:

All prices are subject to Huck Manufacturing Company's standard terms of ½ of 1%, 10 days—net 30 days, f.o.b. shipping point. Freight allowed on 100# or more of Huckbolt Pins and/or Collars or 50# or more of blind fasteners via truck or railroad carrier of our choice (where in either instance such minimum shipments are scheduled for shipment at one time).

Prices in effect at date of shipment shall apply.

Clause 7 Extras—Item #7 of the attached "General Conditions" is amended in its entirety to read as follows:

Sales, use, excise, or other levied taxes to be paid by the customer will be itemized separately on invoices.

Charges for requested prepaid transportation on shipments which do not qualify for freight allowance will be itemized separately on invoices.

Applicable to Form 5-144 and Form 5-146.

[fol. 1221] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 86

HUCK MANUFACTURING COMPANY
Specialists in Cold Heading
Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

September 25, 1956.

To our Customers:

Subject: Price Adjustment

Many of our customers have requested that Huck adopt freight allowed as a part of our Standard Terms of Purchase. We are now ready to announce such a policy.

Effective with all shipments on and after October 1, 1956, the following terms will apply:

Blind Rivets

All prices are subject to Huck Manufacturing Company's standard terms of ½ of 1% ten days—net 30 days, f.o.b. shipping point, freight allowed on 50 lbs. or more via carrier of our choice.

Huckbolts and Collars:

All prices are subject to Huck Manufacturing Company's standard terms of ½ of 1%, ten days—net 30 days, f.o.b. shipping point, freight allowed on 100 lbs. or more via carrier of our choice.

The steel and aluminum general price increases plus the added increased labor and supply costs force us to adjust our selling prices.

Orders presently on hand and scheduled for delivery will be invoiced at present quoted prices and shipped f.o.b. shipping point, freight allowed if the scheduled shipment qualifies under the new terms as outlined above.

Orders received on and after October 1, 1956, will be accepted at new adjusted prices and will be invoiced under

terms of, "price in effect at time of shipment", freight allowed as outlined previously.

Revised price sheets are being printed and will be forwarded at an early date.

We appreciate your cooperation and look forward to being of greater service to you in the future.

Very sincerely yours, Huck Manufacturing Company.

[fol. 1222] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 87

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: September 10, 1957.

Subject: Price Adjustment Letter To Customer of August 30, 1957.

To: All Engineering Representatives.

From: Sales Department.

Copies: Messrs. Armour, Benkert, C. Armour, Mathews, Messer, Tenny, Villacres, Kruse, Westrick, Braund, Welch, File.

This memorandum is to advise that there *has not* been a change in price in the *Tau Bolt*. The price adjustment letter of August 30, 1957, was in error.

Please advise your customers.

Best regards, Sales Department.

/chm

To: Adams, Miller, Bortner, Butt, Clute, DeLoach, Dobbe, Egnot, Gibler, Gillespie, Hamann, Hanneman, Houston, Siers, Larrabee, Jarman, Huegin, Hunt, Morgan, Newton, Perran, Rufi, Sallen, Scott, Serra, Steele, Strother, Yorg, Thomson, Unfried, Brackeen, Oldson, Upton, Walsh, Wild, Young, Clinton, Reyle, Wilson.

[fol. 1223] HUCK MANUFACTURING COMPANY
Specialists in Cold Heading
Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

August 30, 1957.

To Our Customers:

Subject: Price Adjustment

Effective September 1, 1957, a general price adjustment will be made on Huckbolt fasteners, Blind Huckbolt fasteners, Oversize Structural blind rivets, Tau Bolts, and Daisy blind rivets. This adjustment will reflect the general price increase of aluminum and steel, as well as cost of labor and supplies.

We are pleased to report that due to your increased acceptance of our various product lines, we have in some cases been able to effect a price reduction.

Some of the revised price sheets have been printed and a copy of each applicable to your needs is included. The balance of the applicable price sheets will be forwarded to you under separate mailing as soon as they are available from the printer.

We appreciate your cooperation and look forward to being of greater service to you in the future.

Very truly yours, Huck Manufacturing Company.

[fol. 1224] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 88

Date: November 7, 1956.

To: A. W. Armour.

From: A. E. Benkert.

Subject: Price Lists for Licensees.

Effective immediately, the transmittal of our standard published price lists to any licensees, will be handled by the writer.

All other information to be transmitted to licensees will be handled by Mr. Brilmyer as in the past.

A. E. Benkert.

cc: Braund, Brilmyer, Kruse, Mathews, Messer, Tenny, file.

[fol. 1225] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 89

HUCK MANUFACTURING COMPANY
Specialists in Cold Heading
Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

January 14, 1957.

Townsend Company,
Cherry Rivet Division,
Santa Ana, California.

Attention: Mr. Glenn Graves

Dear Sir:

Enclosed are three copies of our non-stock Huckbolt Western Price Lists.

These are furnished as per request from Mr. Paul Horst of your New Brighton, Pennsylvania office.

Very truly yours, H. C. Braund.

cc: Paul Horst, A. W. Armour, A. E. Benkert, G. Q. Mathews.

[fol. 1226] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 90

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: 4-19-57.

Subject: Price Lists for Commercial Huckbolt Pins.

To: A. E. Benkert.

From: H. C. Braund.

Copies: A. W. Armour, G. Q. Mathews, Westrick, P. Horst√, F. R. Dickenson, Chilcoat.

Attached are revised Eastern and Western price lists for the ½" Commercial Huckbolt Pins.

We have extended the price list to include grips 4 through 22 due to increased demand for the longer grips. This allows the customers to group for price benefit on the added grip lengths.

Our order departments and licensees are being advised of this change.

H. C. Braund.

[fol. 1227] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 91

HUCK MANUFACTURING COMPANY
Specialists in Cold Heading Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

October 30, 1957.

EAS—What is effective date? October 22, 1957.

Mr. Paul Horst,
Assistant to the President,
The Townsend Company,
New Brighton, Pennsylvania.

Dear Paul:

Enclosed herewith are copies of our latest Eastern and Western prices on the following products:

Type 430 Stainless Steel Huckbolt Collars
¼" Dia. 3LC Huckbolt Collars
Type 321 Stainless Steel Commercial Huckbolt Pins

We are sending two sets of the Western prices to Mr. H. E. Chilcoat under separate cover.

If you need additional copies, please advise the writer.

Very truly yours, Huck Manufacturing Company,
H. C. Braund, Chief Cost Accountant.

HCB/1h
enc.

CC: A. W. Armour, A. E. Benkert, G. Q. Mathews, File.

[fol. 1228] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 92

HUCK MANUFACTURING COMPANY
Specialists in Cold Heading Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

July 19, 1957.

Olympic Screw & Rivet Corporation,
11445 South Dolan Street,
Downey, California.

Attention: Mr. E. H. Stau, Vice President General Manager

Dear Ed:

Reference is made to your letter dated July 11, 1957, which was in reply to my letter, dated July 8, regarding our proposed meeting for August 3, 1957.

There apparently was a misunderstanding, as it is certainly not our intention, at the present time, to establish additional licensees for the manufacture and the distribution of the Huck Lockbolt.

Very truly yours, Huck Manufacturing Company,
George Q. Mathews, Vice President In Charge of Sales.

GQM/chm

[fol. 1229] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 93

HUCK MANUFACTURING COMPANY
2480 Bellevue Avenue
Detroit 7, Mich.

March 7, 1958.

Lockheed Aircraft Corporation,
Missile Systems Division,
Sunnyvale, California.

Subject: Terms and Conditions of Purchase

Attention: Mr. J. C. Stephens, Supervisor Purchasing Operations

Dear Mr. Stephens:

Reference is made to your letter dated January 16, 1957 regarding the above subject.

We have recently completed negotiations with your Mr. Warren Wright of the California Division of Lockheed, regarding the same subject.

Enclosed please find copy of this amendment which has been negotiated with Mr. Wright.

Your early consideration and confirmation of this agreement will be appreciated.

Very truly yours, Huck Manufacturing Company, George Q. Mathews, Vice President In Charge of Sales.

GQM/by

Encl.

Armour, Benkert, Reynolds, Stern, Clute, Scott, Westrick, Villacres, T & C File, File, Dickenson.

[fol. 1230] HUCK MANUFACTURING COMPANY
2480 Bellevue Avenue
Detroit 7, Mich.

March 7, 1958.

Lockheed Aircraft Corporation,
California Division,
Burbank, California.

Attention: Mr. Warren Wright, Purchasing Operations

Dear Mr. Wright:

It was indeed a pleasure visiting once again with you and your organization. We would like to thank you for the many courtesies extended Messrs. Clute, Huegin and myself during our recent visit.

In accordance with our verbal agreement we would like to amend the Terms and Conditions signed November 1, 1955 as follows:

Cancel amendment letters dated November 5, 1956, February 22, 1957 and November 26, 1957.

Add the following amendment in there place:

Effective February 12, 1958

"Prices herein acknowledged as they apply to each purchase order are firm for six (6) months from date of Lockheed's original purchase order date".

"It was further agreed that orders with delivery extended in excess of six (6) months from date of the order, and Titanium or Titanium alloy shall be covered by separate negotiated Terms and Conditions".

We further understand that your date of verbal order is the same date used on your written confirming order.

Your early confirmation of our agreement will be appreciated.

Very truly yours, Huck Manufacturing Company,
George Q. Mathews, Vice President In Charge of Sales.

GQM/by

cc: Mr. Malcomb

Armour, Benkert, Reynolds, Stern, Clute, Tenny, Villacres, Westrick, Huegin, DeLoach, T & C File, File. Mr. Dickenson.

[fol. 1231] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 94

CHERRY RIVET COMPANY
231 Winston Street
Los Angeles 13

July 29, 1950.

Mr. A. Watson Armour, Jr.,
Executive Vice President,
Huck Manufacturing Company,
141 Jackson Blvd.,
Chicago 4, Illinois.

Dear Mr. Armour:

Your price list was received here a couple of days ago. This was a friendly gesture on your part, which I appreciate. Of course, we had been aware of the prices which your salesmen were quoting to our customers, and we had gathered a considerable number of these quotations so that we were able to construct a list for all sizes. This we had been using for quite some little time. I was astonished in comparing your actual list with this one to find how accurate our estimates had been.

Because of the present unsettled situation, both as to supply of material and to volume of business, plus the distinct possibility of Government controls in connection with rearmament, we have felt that we could not publish a new price list for the present. Both your men and the South Chester men have been under-quoting us, and where this comes to our attention we meet the prices without hesitancy. I presume this will settle down to a regular pattern in a month or so, and then no doubt we will publish a list and make it available to everybody. As soon as we reach

that conclusion, I will be very glad to send you a copy, even before it appears in print.

Our tooling is now almost complete on Lockbolts, and we have scheduled our first deliveries for the first week in August. It has been very gratifying to discover how well this product has been received and what large quantities of them are in use at present or can be used with a good supply. As soon as we run our costs on the first production, we expect to put out a list of these prices. I will be happy to send you a copy of that. Present indications are that it will run substantially below your current offering prices.

If business or recreation should bring you to the Pacific Coast anytime, I would be most happy to see you and it would be a pleasure to play host. When I'm next in Chicago, no plans in mind at the moment, I will let you know well in advance so that I can be sure and catch you in town.

With very best wishes and kindest regards,

Sincerely yours, Bill Hubbard.

WBH:rd

[fol. 1232] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 95

MINUTES OF THE PATENT COMMITTEE MEETING OF MARCH 29, 1951

Those present at the meeting were W. B. Hubbard, E. H. Stau and M. C. Ketchum.

Minutes of the meeting of February 6, 1951 were reviewed and discussed. Mr. Hubbard reported on a conversation held two or three weeks previously with Mr. Dickenson. It appeared that the tentative conclusion of the Townsend attorneys was in favor of entering into a license agreement with the Huck Manufacturing Company with respect to the manufacture and sale of lockbolts and lockbolt tools. The basis for this conclusion lay in the fact that it might be possible by such a license agreement to

control the lockbolt business and limit it to Huck and Townsend. Such a limitation would be preferable to a legal action which would invalidate the patents and which, by the same act, would open the field to other manufacturers of fasteners. A license agreement would certainly discourage others from going into the field.

Subsequent to this discussion with Mr. Dickenson, the matter had been reviewed again by Mr. Hubbard with George White. It was Mr. White's opinion that such an arrangement as indicated by Mr. Dickenson was feasible and desirable, provided it actually did keep other manufacturers out of the field. Mr. White pointed out, however, that he felt the patent structure was so weak that any arrangement made as between Huck and Townsend would not deter anybody else who studied the patents from going into the field if they desired.

Mr. Ketchum pointed out that on the basis of studies which he had made in this field with our attorneys in previous years and after studying the two recent Huck patents on lockbolts, it was his opinion that we, or others, [fol. 1233] could manufacture and sell lockbolts substantially identical with the Huck lockbolt and still without infringing the Huck patents. Mr. Stau pointed out that one obstacle to this would be the insistence of the Armed Services on having complete interchangeability.

Mr. Ketchum related that letters had been written to a number of Cherry Rivet customers, notably Fairchild Aircraft Corporation, Fruehauf Trailer, Baker Trailer and seven or eight other companies associated with Baker in the manufacture of trailers. These letters were written in a form prepared by George White and stated as follows:

"We understand that you have been advised through the Huck attorneys that the purchase and use of lockbolts other than those manufactured by Huck might infringe certain patent rights held by the Huck Manufacturing Company.

"A careful study has been made for us of the lockbolt patents held by Huck Manufacturing Company and, to the best of our knowledge, our lockbolts do not infringe any of those existing patents.

"In view of your position in this matter, we wish to assure you that in the event of any attempt by Huck Manu-

facturing Company to carry out any legal action against you, based on notice of possible infringement, we shall take all necessary legal steps for your protection against such interference."

After considerable discussion of various factors affecting this matter, the Patent Committee still felt that they would prefer not to enter into a license agreement with the Huck Manufacturing Company, but would like to clear up the matter by whatever legal action was necessary and go ahead with original plans to get the business by good sales methods.

Obviously, the position of the Patent Committee is strictly advisory on this matter and the final decision as to policy would be made by Townsend Company. If that [fol. 1234] decision was in favor of making a license agreement along these lines, then the following suggestions might be of help in drawing the license:

1) A license should be exclusive and specifically state that Huck would not license anybody else.

2) The royalty should be very low because of the doubtful value of the patents, perhaps 1 or 2%.

3) The provisions covering inclusion of new developments should be very carefully drawn to make sure that anything new would be covered by the same license (Huck is particularly slippery in this respect).

4) If others manufacture and sell lockbolts and Huck does not protect the patent position, then Townsend should be relieved from further payment of royalties.

5) There should be no limitation of fields in which lockbolts can be sold and no limitation of customers. In other words, Townsend and Cherry could compete directly with Huck on all customers.

As corollaries to the conclusion of a license, the following points should be resolved in favor of Cherry and Townsend:

1) Release of the Hood Patent No. 2,531,270 to Townsend. This is the patent which bears on the hi-clinch rivet which Cherry has been developing and marketing. If we do not obtain this patent, it will be necessary to take steps to invalidate it also, since it is annoying, and while it does not eliminate our sale of hi-clinch rivets it makes it more

difficult to manufacture them. (Hood was an employee of the Cherry Rivet Company who carried this information to Huck when he went to work for Huck after being discharged by Cherry. Huck promptly filed a patent application.)

[fol. 1235] 2) It should be possible to make an arrangement which would keep Huck out of the Blind Rivet field entirely. He admits that his volume is very small in this field and that he is not particularly interested in it. If we pay him royalties on lockbolts he should get out of the other field where again his value is largely nuisance value.

At the Committee meeting held December 21, 1950, it was suggested that we prepare assignment forms for all issued patents and all pending applications for the assignment of these to Townsend Company. These papers have been prepared and are now in our file. There is some question as to whether or not these papers should be made of record in the Patent Office so that change of ownership of the patents will be established and so that pending patents will issue in the name of Townsend rather than the name of Cherry Rivet Company. The point in question would appear to be one of policy on the part of Townsend Company rather than a legal point, and it is suggested that we determine Townsend's desire in respect to whether or not these papers should be filed with the Patent Office.

Mr. Ketchum stated that he had a call from Herbert Cameron who was one of the licensors of a certain agreement entered into by the Cherry Rivet Company on September 8, 1945, for the manufacture and sale of the so-called Cook rivet under United States Letters Patent No. 2,381,113. This agreement was cancelled on April 20, 1949 and all minimum royalties due the licensors at that time were paid in full. Mr. Cameron states that he now feels Cherry Rivet Company did not exercise sufficient ingenuity and effort in the development and marketing of rivets as provided in the license agreement and that, therefore, we still have some obligation to the licensors. Mr. Cameron [fol. 1236] stated that he thought we either ought to buy the patent or resume development work and enter into a new license agreement with them for such development. He indicated that if we did not choose to do one of these two things he might be obliged to take legal action against

us for non-fulfillment of provisions of the license agreement. The Patent Committee discussed this matter briefly and concluded that there are no grounds for any claims against the Company in connection with the license agreement and that there is no reason why any concessions should be made to Mr. Cameron and his associates.

The meeting was adjourned.

M. C. Ketchum, Chairman, Patent Committee.

[fol. 1237] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 98

July 11, 1957.

Mr. George Q. Mathews,
Huck Manufacturing Company,
2480 Bellevue Avenue,
Detroit 7, Michigan.

Dear Mr. Mathews,

This is to acknowledge your letter of July 8, 1957. It is quite apparent from your letter that a complete misunderstanding exists as to our discussion here in Los Angeles, and as to our subsequent telephone conversation. In order that we may correct that misunderstanding, our position is quite simply stated.

At the time of my discussion with you in Los Angeles, it was our impression that it was the Huck Manufacturing Company's policy and desire to establish additional licensees for the manufacture and distribution of the Huck lockbolt. Olympic Screw & Rivet Corporation has the necessary equipment and established sales organization to manufacture and market substantial quantities of lockbolts.

While we have been in the process of developing our own version of a lockbolt and with which we have been satisfactorily successful, we felt we should consider a possible license arrangement with the Huck Manufacturing Company for the manufacture and sale of Huck lockbolts.

This consideration was motivated by our interest and presumably yours in the standardization of a lockbolt which would be for the best interests of both the end user and manufacturer. Such standardization would resolve the old problems of the user with respect to duplication of tooling, installations, and inspection procedures.

It was not our intention and certainly not good business prudence that a disclosure by us of our lockbolt would be a condition to a discussion with you for a possible license arrangement. If a satisfactory license arrangement could be worked out, we would be happy to make disclosures to you in the interest of standardization.

In view of the apparent misunderstanding, we will assume that the meeting date of August 3, 1957 is no longer desirable. Should you desire a discussion on the license question in view of the above, please contact us and we will be happy to cooperate. In the interim, we are proceeding with our fastener.

Sincerely yours, Olympic Screw & Rivet Corporation, E. H. Stau, Vice President, General Manager.

EHS/lc

CC: S. Maness.

[fol. 1238] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 99

TOWNSEND COMPANY
Cherry Rivet Division

Memorandum

Date: January 19, 1959.

From: John H. Roy/mp.

To: L. B. Buster.

Subject: Lockbolt "Standards".

Copies to: PEHorst√, MCKetchum, FCFearman, WH Wrigley, Tech Sales, File.

We are recommending the following in an effort to standardize on our lockbolt offerings:

1. Through Milo Ketchum's Engineering Department we should advise the NASC, in connection with their current survey of lockbolt specifications, that we prefer Type II, Class 3 finish with lauric acid lube as a standard on both protruding head and countersunk head on all "T" material lockbolts and stumps.

2. Having advised the NASC accordingly, it is recommended that we adopt as a standard, insofar as our manufacturing, stocking, and marketing are concerned, Type II, Class finish with lauric acid lube on both protruding head and countersunk head lockbolts.

(Gold Chromade)

Our standards pages, as currently being revised, should call out Type II, Class 3 finish as standard, with Type I, Class 3 finish coded as optional, identified by part number suffix.

3. It is recommended that the following non-standard price sheets be made applicable:

a) Degreasing: On Boeing orders for "dry" or degreased pins (less lauric acid lubricant) the

price schedule for this part to BAC prints would be higher than its lubed counterpart by 2%. This addition would not show on invoices as an extra, since a separate price schedule would be established for these particular bolts.

(Plain Cog)

b) On customer orders for standard lockbolts with the Type I, Class 3 finish (rather than the standard Type II, Class 3 finish) the price schedule for this suffix coded part number would be higher than its non-suffix counterpart by 5%. This addition would not show on invoices as an extra, since a separate price schedule would be established for such suffixed print parts.

OK, ?

[fol. 1239] 4. No two lockbolt parts varying somewhat in finish, tolerances, etc., should be sold under the same part number. Each part should have its own number (or suffix) and have its own price schedule.

5. We recommend that so-called standard lockbolts in "T" material in the future be in grip lengths up to and including —12, and that all grip lengths beyond —12 in "T" material be considered non-standard, subject to non-standard minimums, pricing, etc.

We also recommend that all aluminum lockbolt pins be made non-standard and subject to non-standard minimums, pricing, etc. Also, the standard pages on same be marked, "Not available for new design."

6. The above suggestions should be put into effect on February 23, or preferably in connection with any general review of lockbolt pricing, should such review be under consideration at this time.

[fol. 1240] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 100

TOWNSEND COMPANY
Cherry Rivet Division

Memorandum

Date: January 22, 1959.

To: P. E. Horst.

From: E. B. Buster/mp.

Subject: Lockbolt Standards.

Copies to: JHRoy, File.

(Prev. Controversy Not Clear? Any Stock Prob's? 3b.)

Attached is John Roy's memorandum to me of January 19, which outlines recommendations of the Aircraft Sales Department with respect to lockbolt standards.

You will recognize that these recommendations represent a backing down on our part on clear chromate. We are not particularly concerned in doing this, because the proposed price increases will automatically take care of the higher cost of inventory of Type I and Type II.

(No problems)

The problem is somewhat diminished by the proposal that no two lockbolt parts, which would vary in finish, tolerances, etc. would be sold under the same part number. Thus, in effect, the price differential is buried.

On receipt of this information, I would appreciate your telephoning me for further details before making contact in Detroit.

Attachment—1.

EBB.

[fol. 1241] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 101

TOWNSEND COMPANY
Cherry Rivet Division

Memorandum

Date: February 9, 1959.

To: Those Listed.

From: John H. Roy/mp.

Subject: Lockbolt Pricing and Standards.

Copies to: EBBuster, PEHorst √, MCKetchum, FCFearman, WHWrigley, WBHarris, DJSauser, WFArnoldy, JMerdinger, RDFadely (4), RHerndon (2), RNelson, BHoward, JAD'Errico, ECCarlton, AEAlman, FAMcQueary, CKenyon, JOKing, BDyess, WHelms, File.

This memorandum is to be effective February 9, 1959.

On January 30 a memorandum was written on this same subject, and copies were distributed to most of you. This memorandum is to supplement the January 30 announcement by filling in additional details.

We have adopted as standard, insofar as manufacturing, stocking, and marketing are concerned, Type II, Class 3 finish with lauric acid lube on both protruding head and countersunk head "T" material lockbolts and stumps.

Our Standards pages, as currently being revised, will call out Type II, Class 3 finish as standard, with Type I, Class 3 finish coded as optional to be identified by part number suffix "W."

Example: ACT509-T6-4. Gold chromate color with lauric acid lube.

ACT509-T6-4W (Clear) Type I, Class 3, with lauric acid lube.

At the present time, Douglas, Lockheed, and Northrop will not accept countersunk bolts with a gold chromate finish. From time to time there may be other customers who also will object to the gold, and like Douglas, Lockheed, and Northrop, will want clear finish on their bolts, either countersunk or protruding head. Where the customer requires a clear finish, care should be taken to see that the "W" suffix is added to the part number, even if it is missing from the customer's purchase order.

On all orders received after February 9, 1959 for "W" coded bolts, use the price sheet, plus 5% rounded off to the nearest 5¢.

[fol. 1242] Some customers, particularly Boeing Airplane, when ordering to BAC prints, insist on dry or degreased bolts. (Less lauric acid lubricant.) These bolts will show a part number suffix, "CD." Please note that this is a change in the meaning of the coding "CD."

> Example: ACT509-T6-4*CD*. Gold chromate post plate treatment *without* lauric acid lube.

When pricing "CD" suffixed bolts, add 2% to the price for all series, rounded off to the nearest 5¢.

Special sheets containing these "W" and "CD" suffixed extra charges are being prepared, and will be sent to those of you where applicable when ready. Series R3014 and R3304 are covered in these sheets.

The suffix code "E" for electrofilm finish remains unchanged. The same extra charges, as have been used in the past, are to be added to the price sheets as a shown extra for electrofilmed bolts.

John H. Roy.

[fol. 1243] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 103

Townsend Company

Sales of Lockbolts
9/1/54 to 8/31/61

9/27/61

	Aircraft	Commercial	Total
9/1/54 through 6/30/55	$ —	$ 513	$ 513
7/1/55 through 6/30/56	136,659	50,262	186,921
7/1/56 through 6/30/57	1,078,141	163,119	1,241,260
7/1/57 through 6/30/58	1,319,488	156,103	1,475,591
7/1/58 through 6/30/59	1,810,279	268,198	2,078,477
7/1/59 through 1/2/60*	780,291	144,488	924,779
1/3/60 through 12/31/60	1,973,658	426,215	2,399,873
1/1/61 through 8/26/61	1,243,586	285,846	1,529,432
Totals	$8,342,102	$1,494,744	$9,836,846

* Change in fiscal years.

[fol. 1244] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 104

February 10, 1956.

To: Those Listed Below.

From: P. E. Horst/ftp.

Subject: Report on Visit to Huck Manufacturing Company February 7, 1956 by G. A. Bentley and P. E. Horst.

1. The two-dot identification on lockbolt collars was proposed by Santa Ana. New Brighton thinks this would make difficulty in the header. Gorrell will see that the thinking

of New Brighton and Santa Ana is brought together. In the meantime, Mr. Brilmyer will withdraw his memorandum of February 1st. Obviously, they will need some other method of identifying products they manufacture and sell to us. We will hear from him later.

2. It is now Huck's policy not to take off the shelf production quantities of items we buy from them. This means that they can manufacture identifying marks into the collars. It also means that delivery may be a little longer.

3. They are currently redesigning lockbolts so that they will have shorter pin-tails. The present design specifies a longer tail than was necessary, and they are only now getting around to figuring out how much shorter it can be made. This redesign in no way obsoletes present stocks. We do recommend, however, that any extensive tooling program take this into consideration.

4. They report that they spent over $75,000 in tungsten carbide tooling for the sheer-type lockbolt. They are unsuccessful in holding the closer tolerance except in Tungsten carbide tools.

5. They regard all sizes listed in their published price lists as standard sizes which they would carry in stock to some degree. Very popular sizes are those having the same grip lengths that other popular size fasteners have—namely, grip lengths one and two times the diameter of the lockbolt. Popular sizes to be used in wood-to-steel applications are much more divergent and hard to predict.

6. They report that it would be practical to make long lockbolts in open dies, particularly when no close tolerance is required.

[fol. 1245] 7. Prices:

a. When socalled specials are quoted f. o. b. Santa Ana, we are to take the Eastern price for the special, add 3%, and round it off to the nearest nickel.

b. Specials and standard lockbolts may not be combined for price advantage.

c. *Lockbolt collars may not be combined for price advantage.* The reason for this is that the average customer buys the same diameter collar for a number of lockbolts so that he already has the advantage of some combining.

8. While Huck is obliged to keep us advised of any new engineering developments, they will not volunteer infor-

mation on a new special unless they sell at least 250 M of that item. Of course, they will always give us information about lockbolts sold in lessor quantities if we request it.

9. Looker is enthusiastic about rented guns and gun noses. He says that it leads to many sales. Also, it frequently helps the buyer circumvent his own company's regulations governing the size of the capital expenditures he may make.

10. The lockbolt application for railroad car builders for which they had such high hopes and expected such a large volume, turns out to be a sandwich-type construction for the end of freight cars developed by Pullman Standard Engineering, but which has not yet been put into production due to internal politics at Pullman.

11. They still feel strongly that the lockbolts should be sold on a freight equalization basis rather than freight allowed. While some of their points are not valid, they are concerned about the effect on heavy lockbolts like one-half inch in diameter. They are also concerned about the inconsistency of selling Blind Rivets on one basis and Lockbolts on another. We told them no change would be made on our part without first discussing it with them further.

12. They still feel violently on the subject of stocks in the hands of distributors. They state that they will match any stocks that we establish in places like Ft. Worth or Seattle. They are concerned about loss of profits they feel they get from the smaller quantity orders. If the figures they gave me are correct, this profit might be more substantial than we thought. They say that the average [fol. 1246] order received from the aircraft companys is priced from the 5 M colum. If a weighted average is used, the average lockbolt is priced from the 15 M column. In view of the fact that extended shipments and combinations are permitted, this seems incredible. They are accumulating further figures for us. We should like to hear from Santa Ana what order-size pattern they expect from Aircraft companies.

13. Mr. Armour expressed emphatic intention to limit the licensees for lockbolts to ourselves so that there would be only two people in the business in the future.

14. They are optimistic about the market for larger diameters of lockbolts and intend to get into production of these larger sizes.

15. It is their opinion the Commercial Lockbolt is probably under-priced.

F. R. Dickenson, G. A. Bentley, H. E. Chilcoat, H. C. Weidner, Jr., J. W. Hernlund, W. R. Wyckoff, C. Gebhard, F. J. Schreiber, Milo Ketchum, F. J. Kennedy, R. W. Krause.

[fol. 1247] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 105

TOWNSEND COMPANY
Cherry Rivet Division

Memorandum

Date: August 29, 1957

Subject: Price Changes on Lockbolts

To: H. E. Chilcoat

From: E. B. Buster/mp

Copies To: PEHorst√, File

Paul Horst informed me in a telephone conversation that Huck's announcement of price adjustments has been distributed to customers. I have not yet received our copy, but have been informed that the information has been mailed to us along with Huck customers.

Will you please prepare an announcement to our customers for immediate mailing, stating that we are forced to make a price adjustment because of increased costs in labor and materials on our entire lockbolt line. Point out that there is a 3% to 6% increase in some lines, and a net reduction in others, but that the overall result is a slight increase. State that our reprinted price sheets will

be distributed as soon as available, but that these price adjustments will become effective September , 1957.

Sept. 9 —.

25 copies are being sent to EBB.

[fol. 1248] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 106

December 30, 1957.

Mr. A. E. Benkert,
Huck Manufacturing Company,
2480 Bellevue Avenue,
Detroit, Michigan.

Dear Al:

We transmit the following data which you requested:

1) A copy of our letter to our distributors verifying our drop shipment policy for lockbolts.

2) Copies of our quotation and order acknowledgment forms showing our price terms. We are still in the process of collecting these same forms from such of our distributors as acknowledge and quote directly. Please note that our printed form states less advantageous terms and that we overstamp the six-month clause when necessary for lockbolts.

3) We also transmit two copies of our Eastern and Western lockbolt price sheets.

Yours very truly, —— ——.

PEH:mb

Enclosures

[fol. 1249] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

GOVERNMENT'S EXHIBIT No. 107

TOWNSEND COMPANY

Date: April 24, 1958

To: P. E. Horst, R. E. Casner, J. J. Perz.

From: W. R. Wyckoff/sg.

Subject: Lockbolt Meeting—April 23, 1958

Following is a summarization of key matters discussed and actions recommended as a result of the recent licensee-licensor meeting:

1. The Product Manager is to recommend development of pulling heads which may be used on Huck guns to pull Cherry Rivets should facts regarding potential business resulting warrant.

2. A report was requested regarding what standard lockbolt items we are tooled for and what specific items are involved. The primary purpose of the report is outlined in P. E. Horst's of April 18, 1958, Section 5-B regarding the recent meeting at Huck. Such report to be initiated through normal channels with copies for R. E. Casner and P. E. Horst.

3. A list of non-standard items which are currently in stock is also to be developed [with quantities outlined for internal purposes only.] (for submission to Huck.) Same procedure as above should be followed.

4. Flanged collars for commercial lockbolts

A) P. E. Horst advised that Product Development Department has developed necessary techniques and tooling for production of flanged collars.

B) Investigation and testing should be carried out immediately by Technical Sales to determine effect of flanged collars on pintail design, tooling and swaging anvils, strength performance data and any other areas affecting application. (Hurry it up. Let customer try it.)

C) Based on results of such tests and after consideration of pertinent cost factors and marketing considerations, Technical Sales is to recommend a program regarding standardization, stock programs and promotion of the flanged lockbolt collars. Product Manager should complete necessary tests and studies and submit initial recommendation by June 1, 1958 or sooner.

D) Because of material costs considerations, it was agreed to except aluminum for the flange design until further investigation by P. E. Horst.

[fol. 1250] 5. P. E. Horst should be notified in advance of any contemplated product changes of such importance they affect both licensee and licensor. Such notification to be accompanied by pertinent sales considerations.

6. Desirability of standardizing on color standards of licensee and licensor was agreed. The Product Manager will advise Huck on precisely our recommendations for color coating. In turn it was agreed Huck should define what shall constitute a given color in range of color shade concerned.

Huck also to be advised concerning our minimum quantity policy of 50,000 pieces per item, no additional charge, 90 days release. Also of the $15 lot charge to apply on color coated lockbolts when quantities per item are less than 50.000.

7. P. E. Horst will discuss with manufacturing considerations regarding the contemplated lower cost lockbolt. Subsequently, the Product Manager is to determine full implications concerning carbide tooling, tool inventory, lockbolt sizes, lockbolt stocks, and any other applicable factors which would be involved in a gradual switch over to this item. Such findings to determine Technical Sales's recommendation regarding a complete program involving the marketing of such design.

8. Since Huck is proposing different locking groove design on ½" diameter and larger lockbolts and reducing number of grip lengths accordingly, it was agreed that no action should be taken on tooling for these larger diameters without clearing with P. E. Horst regarding design standards. Another consideration to be given study by Tech.

nical Sales is the fact that the collar has not as yet been defined insofar as Huck design is concerned. Technical Sales to study available Huck drawings on large diameter lockbolts and where desirable make appropriate tests and where need is apparent, subsequent recommendations concerning design.

9. P. E. Horst will obtain drawings on ½" diameter stainless steel lockbolts and ascertain availability to trade and tools recommended for information of Technical Sales Department.

W. R. W.

[fol. 1251] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. E

October 10, 1958.

Huck Manufacturing Company,
2480 Bellevue Avenue,
Detroit 7, Michigan.

Attention: Mr. A. Watson Armour, President.

Gentlemen:

As you are undoubtedly aware, the fastener collar design of our Company (copy of which design is enclosed for your convenience) was recently approved by Boeing Airplane Company, Seattle, Washington, for use with lockbolts and lockbolt stumps of the types made by you and your licensees. Those collars are intended to be placed over such pins and stumps and swaged onto the grooved portions thereof by rivet setting guns of the type which have been made and sold by you or your licensee, Chicago Pneumatic Tool Company, for more than twenty years. Boeing, we understand, owns a number of these guns which it has purchased from you or your said licensee.

As you will note from the enclosed drawing, our collar is a simple hollow cylinder chamfered at both ends so that it may be inserted either end first upon the lockbolt or lockbolt stump, and be centered automatically in the swaging anvil.

In view of the simplicity of this collar design, and the fact that it adopts no configuration taught in any of your outstanding patents, it is with some surprise that we have received from a reliable source in Boeing information that, about the middle of September of this year, when our collar design was in the process of being approved by Boeing, George Q. Mathews and Harold G. Brilmyer, representatives of your Company, conveyed to Boeing personnel the impression that, in view of certain patents which you hold, only your Company or its licensees would be able to make and sell collars of our design to Boeing for use with lockbolts and stumps.

We have carefully examined all patents of which your Company is the record holder, and have conferred with patent counsel as to the scope of all patents which might appear to have any possible bearing upon this collar structure to determine whether our sale of such collars to Boeing for the above stated use, might constitute a violation of any lawful patent rights owned by you.

[fol. 1252] We find no unexpired patent owned by you which *per se* covers our collar design, nor any design closely resembling the same, nor do we find any patent of yours which might be regarded as contributorily infringed by our sale of collars to Boeing.

Your patents, Nos. 2,531,048 and 2,531,049, claim fasteners which include collars of special descriptions, neither of which covers our collar design. The collars of our design, incidentally, are identical in structure to the Cherry Rivet collar sold to Fruehauf in substantial numbers, which your counsel declared in open court, in your suit brought against Townsend in 1951, was not covered by either of these patents.

Your method patent No. 2,754,703 is directed to a method and provides no basis for enjoining us from selling unpatented collars of the type now contemplated. These collars perform no function other than that which was performed by the tubular heads of certain of your expired patents, one of which was successfully asserted in the Townsend case to cover a lockbolt collar. The validity of patent 2,754,703 is subject to considerable question, for among other reasons, it was obtained on representations to the Patent Office that prior art devices failed to pull

the plate elements together. This is not the fact, as the old animated demonstration booklets distributed by your licensee, The Clark Equipment Company, to illustrate the function of the rivet manufactured thereunder amply reveal substantial plate pull together characteristics.

But treating the '703 patent as valid, we are advised by counsel that customers of your lockbolts would be impliedly licensed under your other patents to employ the lockbolts in the obvious manner for which they have been designed, namely to be swaged by means of collar to secure members together. Purchase of your guns by customers such as Boeing would also give rise to an implied license under your patents to use the guns for the purposes for which they are sold. Boeing, therefore, would not be an infringer of your method patent '703, so that our sale of simple cylindrical collars to Boeing could not be regarded as contributing to any infringement of this patent.

[fol. 1253] We also understand that a substantial percentage of our collars will be used by Boeing to secure lockbolt stumps in a manner not remotely covered by your '703 patent, and these collars are similar to collars which you have sold for this same purpose. There would clearly appear, therefore, to be a substantial non-infringing use for these collars which use renders their sale by us free from any possible charge of contributory infringement of the '703 or any other combination patent.

Our purpose in writing you at this time is to ask your written assurance that the above reported impression created among Boeing personnel by your Mr. Mathews, is not the official view of your Company, but rather was merely "salesman's talk" in an effort to push your products with this customer, and that there will be no further harassment or claim to our customers that we are not free to manufacture and sell the above described collars.

In the absence of such assurance, we would be faced with determining what steps should be taken by us to clarify the situation thus created. The only steps apparent at present are:

1. To await your suit against us for patent infringement;

2. To institute suit against you for declaratory relief and/or for damages under the anti-trust laws; and

3. To discuss the entire blind rivet and lockbolt situation with the Department of Justice Anti-Trust Division with a view to convincing the latter of need for public action under the anti-trust laws.

In this latter connection, it appears to us that there is a serious question whether, if you are actually asserting your unexpired patents to prevent our supplying simple unpatented collars to users such as Boeing under the circumstances above indicated, you are attempting to monopolize this line of commerce beyond that which is permitted under the patent laws of the United States.

[fol. 1254] It is also our thought that certain other actions taken by your Company in the past to preserve to itself and to its licensees this important segment of the fastener business might merit public action by the Anti-Trust Division of the Department of Justice.

Your early advice will relieve us of the necessity of pre-maturely selecting one of these alternatives.

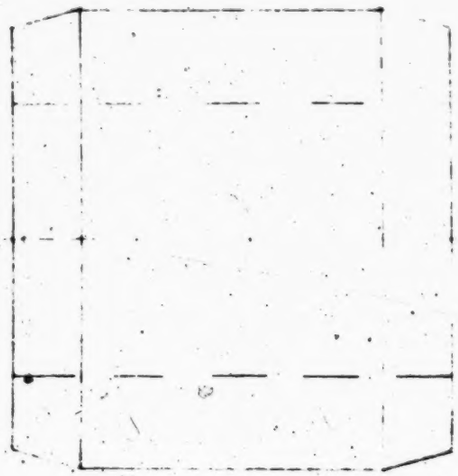
Very sincerely yours, Brown-Line Corporation, R. Looker, President.

RL/vd

Est. Blind Rivets—
Huck—4MM
Ch-Town—3.MM
Olympic—1.0
DuPont—1.3
Deutsch—1.0
Southoo—1.2

cc: Miner, Paoitt, White, file.

[Vol. 1255]



ITEM	PART NUMBER	DESCRIPTION	MATERIAL SIZE	SPECIFICATION
	325	COLLAR	—	—

NO REQ PER NOTED ASSEMBLY

DRAWN 10-10-58 GHW

CHECKED —

THIS DRAWING EMBODIES A CONFIDENTIAL, PROPRIETARY DESIGN, AND ALL DESIGN, MANUFACTURING, PRODUCTION, USE, AND SALES RIGHTS REGARDING THE SAME ARE EXPRESSLY RESERVED.

HEAT TREAT —

FINISH —

LIMITS EXCEPT AS NOTED

.XX ±
.XXX ±
ANGLES ±

ALL MACHINED SURFACES TO BE ✓ PER NAS 30

BREAK ALL SHARP CORNERS

SCALE —

REQ. PER | NEXT ASSEMBLY

BROWN-LINE CORP.
EL SEGUNDO CALIF.

LOCKBOLT + STUMP COLLAR

325 UNDIMENSIONED

[fol. 1256] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. F

Law Offices
SMYTH & ROSTON
Patent, Trademark and Copyright Causes
4262 Wilshire Boulevard, Suite 320
Los Angeles 5, California
WEbster 8-6251

November 7, 1958.

File

Charles L. Beckler, Esq.,
Anti-Trust Division,
U. S. Department of Justice,
Washington, D. C.

Dear Mr. Beckler:

The Huck Company finally replied through its counsel, John C. Sterritt, Esq. of Harness, Dickey & Pierce, to Brown-line Corporation's letter of October 10th, copy of which Mr. Looker and I left with you when we conferred with you on October 28th. A copy of Mr. Sterritt's reply is enclosed.

Mr. Looker has simply acknowledged Mr. Sterritt's reply on behalf of Brownline Corporation rather than take issue by extensive correspondence with the points made in Mr. Sterritt's letter. For your information, however, Mr. Looker has provided us with the following comments respecting the points raised in Mr. Sterritt's letter.

1. The collars developed by Brownline during the past 15 months are of Brownline's own design and result from their own established development program. The general configuration utilized, namely a simple tubular element, has been used by Huck and others for many years and is practically identical with the Freuhauf collar which was declared by Huck's counsel in open court in the Cherry Rivet suit in the Southern District of California not to infringe the patents there in suit including No. 2,531,049. This present collar design

was not evolved out of any relationship which Brownline's management may have had through prior employment at Huck.

2. You will note that the combination of the method patent 2,754,703 is being asserted to cover the use of the simple cylindrical collar. Also, the 2,531,049 patent is being asserted to cover the same collar in combination. Previously, Huck had charged in the Cherry Rivet suit that its earlier rivet patent '493 covered such a combination.

[fol. 1257] 3. The representations made to the U. S. Patent Office in the form of the demonstration were factual insofar as given, but Huck counsel failed to call the attention of the Patent Office to the known fact that the prior art blind rivets manufactured by Clark Equipment Company of Buchannan, Michigan did perform the act of pulling the sheets together. These Clark blind rivets were widely sold in industry. This fact was discussed by Mr. Looker with Mr. Sterritt both before and after the demonstration before the Board of Appeals of the U. S. Patent Office. Moreover, during the Huck Vs. Townsend litigation, Mr. Sterritt was concerned that Townsend would demonstrate the substantial pull together characteristics of the Clark blind rivet. Such a demonstration would probably have made the Court feel that there was little difference between the blind rivet and the lockbolt. Instead, however, the demonstration for comparison used the aluminum blind rivets which had the poor sheet pull together characteristics demonstrated to you.

We would appreciate being advised as soon as it is known whether any investigation of the Huck-Townsend situation will be authorized by the Division.

Yours very truly, Smyth & Roston, William H. Pavitt, Jr.

WHP:vmk.

Encl.

cc: R. Looker, Brownline Corp.√

[fol. 1258] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. G

July 18, 1956.

Mr. Robert Looker,
The Brown-Line Corporation.

Dear Bob:

Thank you for your letter of July 13th. Your request gives rise to certain complications which we have not been able to surmount.

We are giving the matter further consideration and will let you know the results at a later date.

Sincerely yours, Huck Manufacturing Company,
A. Watson Armour, III, President.

AWA:d.

cc: Benkert, Mathews, Reynolds, Stern, Sterritt.

[fol. 1259] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. H

THE BROWN LINE CORPORATION

Mr. A. Watson Armour, President,
Huck Manufacturing Company,
141 W. Jackson Boulevard, Room 4015,
Chicago 4, Illinois.

Dear Mr. Armour:

Thank you for your letter of July 18 on the license requested. I appreciate the complexities of the question at hand, and the time required to see them through.

I do hope, however, that we will be able to get the matter settled while I'm still here, to save extra travel and trouble

of negotiating 3,000 miles away, and to permit the kind of planning a new business must have.

Thank you again for your interim report.

Very sincerely yours, The Brown Line Corporation.
Robert Looker.

RL:mb.

copies for Reynolds, Stern, Sterritt.

Attention of: J.C.S.

Received August 3, 1956: Harness, Dickey & Pierce, Detroit, Mich.

[fol. 1260] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. K

ILLINOIS TOOL WORKS
Manufacturer of Engineered Metal Cutting Tools, Illinite Standard Cutting Tools, Shakeproof Fastenings and Special Purpose Machines

2501 North Keeler Avenue
Chicago 39, Illinois
Telephone: ————

September 10, 1957.

Mr. Robert Looker, President,
Brown-Line Corporation,
111 Main Street,
El Segundo, California.

Subject: Looker Commercial Lock Bolt.

Dear Bob:

I would like to apologize for not forwarding our legal department's comments pertaining to your lock bolt application sooner. I have been quite busy since returning from the West Coast as Milt Miner and his boys have somewhat snowed me under with projects.

I am enclosing a copy of a confidential letter which originated in our patent department, for your inspection and

comments. It seems in essence that our attorneys feel that you would be allowed some specific improvement protection on your device, but would still be cominated by Huck Patent #2754703.

I am sure that you are very familiar with the existing and expired art on fasteners of this nature and also are aware of the claims made in the abovementioned patent. We would sincerely appreciate your comments to this letter before further work can be done on our part.

I am sure you know that we are definitely interested in manufacturing a fastener of this type as this would be undoubtedly beneficial to Brown-Line Corp, Miner and Associates and Illinois Tool Works.

I am also enclosing a sketch of a thread rolled pigtail, which would be used as an installation means to drive the blind bolt which I have developed. It has been placed on file in our patent office and I thought that you may be interested in seeing that we have incorporated your suggestion and sincerely appreciate your assistance.

Yours very truly, Illinois Tool Works, Thomas R. Boyd, Executive Engineer.

TRB:AMS.

Encls.

[fol. 1261] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. L

November 27, 1957.

Mr. John S. Hawley,
Manager, Market Planning,
Illinois Tool Works,
2501 No. Keeler Avenue,
Chicago 39, Illinois.

Dear John:

This letter is in reply to Tom Boyd's letter of September 10 and is addressed to you as I understand that Tom is in process of moving his activities to California.

I am enclosing a copy of a letter dated November 26 from our Patent Attorney George Smyth which gives the conclusions on a possible domination of Huck Patent 2,754,703 over our Application 639474.

As you will note, Mr. Smyth's opinion is quite firm to the negative, and based upon which opinion, we would like to suggest patent license negotiation.

Looking forward to the pleasure of hearing from you soon, we remain,

Very sincerely yours, Brown-Line Corporation,
R. Looker, President.

RL/vd.

Encl.

[fol. 1262] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. N

HARNESS, DICKEY & PIERCE
Attorneys and Counselors
General Motors Building
Detroit 2

May 14, 1958.

File

Mr. Robert Looker,
Brown-Line Corporation,
111 Main Street,
El Segundo, California.

Dear Bob,

Thank you for your letter of May 5. Attached hereto are the four sheets of drawings, Figs. 1 through 16, which you sent me.

I am sure that you must realize that manufacture and sale of the fastener disclosed in these drawings would be infringements of the Huck lockbolt patents with which you are familiar. They could only be manufactured and sold by Huck itself or someone licensed under the Huck patents.

We look forward to seeing you and Mary when you get back to Detroit.

With best regards.

Sincerely, John Sterritt.

JCS/rp.

Encls.

[fol. 1263] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. O

HARNESS, DICKEY & PIERCE
Attorneys and Counselors
General Motors Building
Detroit 2

March 30th, 1960.

File

Mr. Robert Looker,
Brown-Line Corporation,
111 Main Street,
El Segundo, California.

Dear Bob,

This is in reply to your letter of March 2nd, 1960.

I have been in Europe for five weeks, and I am just getting caught up in my correspondence.

I am advised by Huck that business conditions at the present and within the foreseeable future do not justify the granting of any further licenses now.

I trust that this answers your inquiry.

With best regards, John C. Sterritt.

JCS:erb.

cc: A. W. Armour, A. E. Benkert, A. M. Stern.

[fol. 1264] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT NO. R

October 24, 1960.

Mr. Robert A. Bicks,
Assistant Attorney General,
Antitrust Division,
United States Department of Justice,
Washington, D.C.

Gentlemen:

In reply to your letter of October 20, 1960, Mr. L. C. Huck was my stepfather, and upon his death his personal possessions which were in his office at the time of his death were given to his principal heir, my mother, and his telephone notebooks from which the names given you were obtained were among such effects.

If I can do anything further to be of assistance, please do not hesitate to advise.

Sincerely yours, Brown-Line Corporation, R. Looker, President.

RL:vd

cc: Pavitt, White.

[fol. 1265] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. S

UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C.

RAB:LB
60-126-43

October 20, 1960.

Mr. R. Looker,
President,
Brown-Line Corporation,
111 Main Street,
El Segundo, California.

Dear Mr. Looker:

The information contained in your letter of October 12, 1960, addressed to Mr. Lipson of my staff, will be quite useful.

We note that the information was obtained from the personal effects of Mr. L. C. Huck. It would assist us to know the circumstances under which these papers came into your possession. In addition, it would be helpful if you would let us know whether or not you are related by blood or marriage to the late Mr. L. C. Huck or any of his relatives or to any other persons who were at any time officers, stockholders or employees of the Huck Manufacturing Company. If so, the complete details of such relationship would be appreciated.

Thank you for your cooperation.

Sincerely yours, Robert A. Bicks, Assistant Attorney General, Antitrust Division.

cc: Pavitt, White.

[fol. 1266] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No: U

File

February 8, 1961.

U.S. Department of Justice
Washington, D.C.

Attn: Mr. Robert A. Bicks, Assistant Attorney General, Anti Trust Division.

Gentlemen:

I first would like to offer my congratulations to your department for the splendid work in breaking up the price fixing conspiracy in the electrical industry as reported in the local press. It appears as though a most expert job was done, and I am certain that the remainder of the electrical industry as well as the public are most grateful.

I have also to report an incident to you on an attempt to fix prices made to us by one of our competitors.

About the middle of December 1960, a Mr. Theodore Bassett, Sales Manager of the Aircraft Division of the General Logistics Division of the Aeroquip Corporation, made a luncheon date with our Sales Manager, Mr. George Christena, at "Robbs Steeplechase" restaurant in El Segundo, and during such time Mr. Bassett proposed that General Logistics Co. and Brown-Line Corporation enter into a price fixing agreement covering aircraft seat fittings and cargo tie down fittings both companies manufacture under patent license from Pan American World Airways. He cited the present close price competition on such parts giving as an example seat fittings purchased by Hardman Tool and Engineering Corp. of Los Angeles. The price for such fittings at one time was between $12.00 and $20.00 each and now with price competition is about $3.00. With price fixing in effect, Mr. Bassett indicated that we could both make a substantial profit and the buyers of our parts could select their source on engineering, quality, and service rather than price.

Mr. Bassett further said that the General Manager of General Logistics, a Mr. Lloyd Jones, had already made such a proposal (for other like products) to a Mr. Frank L. Davis, President of Davis Aircraft Products, Inc., 1191-5

Spoffard Ave., New York 59, New York, and that such proposal was denied by Mr. Davis. He further believed that Mr. Jones also called on the other member of our small industry, Eastern Rotorcraft Corporation of Doylestown, Pa., with a similar proposal which was also denied. [fol. 1267] Mr. Jones was a Sales Manager, of the Aeroquip Corp. of Jackson, Michigan, before being appointed general manager of its General Logistics division. Mr. Bassett said that Mr. Jones had told him that such price fixing was in effect in the aircraft hose business (Aeroquip's principle business) and that it worked well there.

Although Mr. Christena subsequently denied the request to enter into a price fixing agreement, we felt that the entire story may be of interest to you, particularly the hearsay information that price fixing is in effect in the aircraft (and missile) hose business which is a substantial industry. I have no personal knowledge of such a situation but the Mr. Jones—Mr. Bassett authority should be considered good.

Should you desire, Mr. Christena would be pleased to put the details of his meeting with Mr. Bassett in the form of an affidavit. Additionally, should you wish us to cooperate in any specific way, please do not hesitate to so advise.

On the Huck matter we have been somewhat anxiously awaiting the report that action would be taken. We understand that these matters take time but if you will recall we first called the Huck monopoly to your attention two and one half years ago. As the violations of the law are in this case substantial and easily provable, we ask again that prompt action be taken.

On Mr. Armour's attitude, it was reported to me by another not long ago that Mr. Armour has declared that he will fight his case "if it takes my last cent", that it was a matter of principle. If this proves to be true your department may have a good court case to which to look forward, but in any event we ask for prompt and decisive action to free the lockbolt and blind rivet industry and users from illegal burdensome monopoly.

Very sincerely yours, Brown-Line Corporation, R. Looker, President.

RL:vd

cc: Pavitt.

[fol. 1268] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT NO. V

File

April 10, 1961.

United States Department of Justice
Washington, D.C.

Attention: Mr. Lee Loevinger, Assistant Attorney General, Anti-Trust Division

Dear Mr. Loevinger:

Many thanks for your letter of April 4, 1961. You can expect to hear from Mr. Christena promptly.

We were disappointed to hear that no action has been taken on the Huck matter. Our company and others have been victim to the harassments of an illegal patent monopoly and have provided substantial evidence to your department clearly indicating the need for public action. Two and one half years have passed since complaint against such illegal monopoly was made, and in the interim harassment continues and the statute of limitations runs out on offences one by one.

In our attempt to understand the reasons for delay in these matters we have questioned those skilled in Anti-Trust litigation and have thus been led to understand that your department negotiates with offenders of the Anti-Trust statutes, and that this is the probable cause of the delay noted.

As the matter is still with the Grand Jury in Detroit, unless you have further evidence for it, we respectively ask that it be asked for its decision. If it is the policy of your department to negotiate with, or otherwise contain, offenders, of the Anti-Trust statutes we request that we be so informed.

Looking forward to the pleasure of hearing from you further in this matter, I remain

Very sincerely yours, Brown-Line Corporation,
Robert Looker, President.

RL/vd

[fol. 1269] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT NO. W

July 26, 1961.

Mr. Lee Loevinger, Assistant Attorney General
Anti Trust Division
U.S. Department of Justice
Washington, D.C.

Dear Mr. Loevinger:

It has been some time since I wrote you on the Huck matter and since that time I have seen the Huck patent attorney, Mr. John C. Sterritt, on several occasions, as I am involved in a patent office interference on Huck's behalf on an invention I made while employed by Huck, and have employment contractual obligation to Huck to assist in prosecution of patents made while in Huck's employ and thereby assigned to Huck.

At one time Mr. Sterritt told me that the investigations and hearings by your department had been costly to Huck (in what way I do not know) and that it was Huck's opinion that our company, or myself in particular, had "incited" your department into conducting the useless investigations and that unless indictments come from the Grand Jury in Detroit Huck would take action against either Brown-Line Corp. or myself (Mr. Sterritt did not make this clear). Mr. Sterritt indicated to me that this was Mr. Armour's decision.

Although we have been unable to collaborate having any liability to Huck, we will admit to being a little nervous and therefore ask if one certain legal point had been considered on the price fixing matter.

As you know prices for lockbolt pins and collars were fixed in the Huck-Townsend patent agreement for a 2-year period and extended by verbal agreement between Mr. Armour, and Dickenson. The lockbolt collars also have very substantial use with unpatented lockbolt "stumps" (later licensed also to Townsend by Huck on "Know-how" basis) and that this substantial supplementary application

was known to both parties at the time prices were fixed.

Assuming first that price fixing in a patent agreement is legal the point of law which comes to mind is, is price fixing in a patent agreement for a part of the patented combination (collars) which has substantial unpatented use (with stumps and therefore by statute free of patent incumberance) also legal.

[fol. 1270] It would seem not to me, as it would then be legal to fix prices on, for example, all sales of a motor of a patented motor-pump combination in a patent license when the motor had substantial non-infringing use. By this means prices could be legally fixed on almost any article of commerce and the only expedient would be to get such item included as part of a patented combination. An important point is that lockbolt pins and collars are sold separately as are lockbolt stumps and (at least for the airframe industry) the same collars are used on lockbolt pins and stumps. Additionally most aircraft lockbolt users buy and use both pins and stumps and buy collars for both at one time, lockbolt parts generally considered "open stock" materials, and that prices were fixed for the collars as well as the pins by agreement.

I am quite certain that the point is well covered but in the event that it had not I thought it well to bring up.

Very sincerely yours, Brown-Line Corporaston,
R. Looker, President

RL:vd

[fol. 1271] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANT'S EXHIBIT No. X

October 27, 1961.

Mr. J. L. Lipson,
U. S. Department of Justice,
Anti Trust Division,
Washington 25, D.C.

Dear Mr. Lipson:

I have just read the indictment and civil complaint on the Huck matter, and it appears as though the Grand Jury arrived at a reasonable decision. My congratulations to you and to those who assisted you in the preparation and presentation of the facts to the grand jury.

In contemplating possible defense, if I am called upon to testify for the plainti-f, there could be lik-lihod of defense trying to show malice or prejudice in an attempt to discount any testimony I may be called upon to give. In preparation you might keep in mind that it can be proved to the contrary, as:

1. Recently I testified freely as a friendly witness for Huck in a patent interference case with Olympic (see enclosed letter copies).

2. Where Brown-Line has had application for blind rivets or lockbolts or driving tool parts I have personally insured that Huck parts were called out and procured from Huck despite the fact that in each case competitive devices were available and despite the fact that Huck has had in effect a policy of selling parts to Brown-Line only after the end use were clearly made known to Huck and Mr. Armour, personally approved Hucks acceptance of Brown-Line orders on an individual basis. Procurement records are available here covering about 4 years procurement.

3. I have given Huck a full 20% distributor discount on Brown-Line Collar Splitters and spare parts purchased by Huck for resale purposes, shipping parts

usually immediately and on open credit, despite Hucks refusal to negotiate a distributorship agreement.

Very sincerely yours, —— ——.

[fol. 1272] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANT'S EXHIBIT NO. Y

Huck Manufacturing Company
Departmental Correspondence

Date: August 11, 1955.

Subject: License.

To: A. W. Armour.

From: R. Looker.

Copies: Benkert, Mathews, Sterritt, File. √

As you know, George Mathews has just returned from a trip to Rockford, Illinois, where he called upon the Camcar Manufacturing Company in connection with our developing a good suitable second source for collar fabrication.

Ray Carlson, their vice president, was a good friend of Lou Hucks' and I know that Mr. Huck always spoke very highly of Carlson. He made it known to George that he is very interested in any possibility which might exist insofar as the development of a CKL License might be concerned and I believe that in the Camcar Manufacturing Company we might have the combination of factors pointing to a good licensee for the CKL Rivet. I realize that they are a comparatively small manufacturer in comparison to some of the larger people such as Elastic Stop Nut and Lamson & Sessions, but they are very highly thought of in the aircraft industry and have in operation a good aircraft sales force. In addition they are thought of to be very high quality manufacturers and have a great deal of know-how which would be of invaluable aid to anyone who starts out with the Conical Keystone Rivet. With this in mind, I would like to suggest that possibly you and I travel to

Rockford to examine their facilities and learn something about their company's operation with the possible thought in mind that they would be considered to be a suitable licensee for the CKL Rivet.

I believe that we should also devote some thought to the consideration of Lamson & Sessions for a Lockbolt License which would be limited specifically to a lockbolt suitable for structural attachment on heavy building structures.

As you know, the so called high tensile bolt is making very remarkable advances in replacing solid rivets for building construction and I believe that we can safely say that a lockbolt would be far preferable to the highly torque high tensile bolts which are now being used in very great tonnage for building construction.

Although we may not be at liberty to grant such a license at this time, we will be in a little over a year from now and it would take at least that long to get suitable fasteners and tools developed for this market which could be handled by the Lamson & Sessions Company.

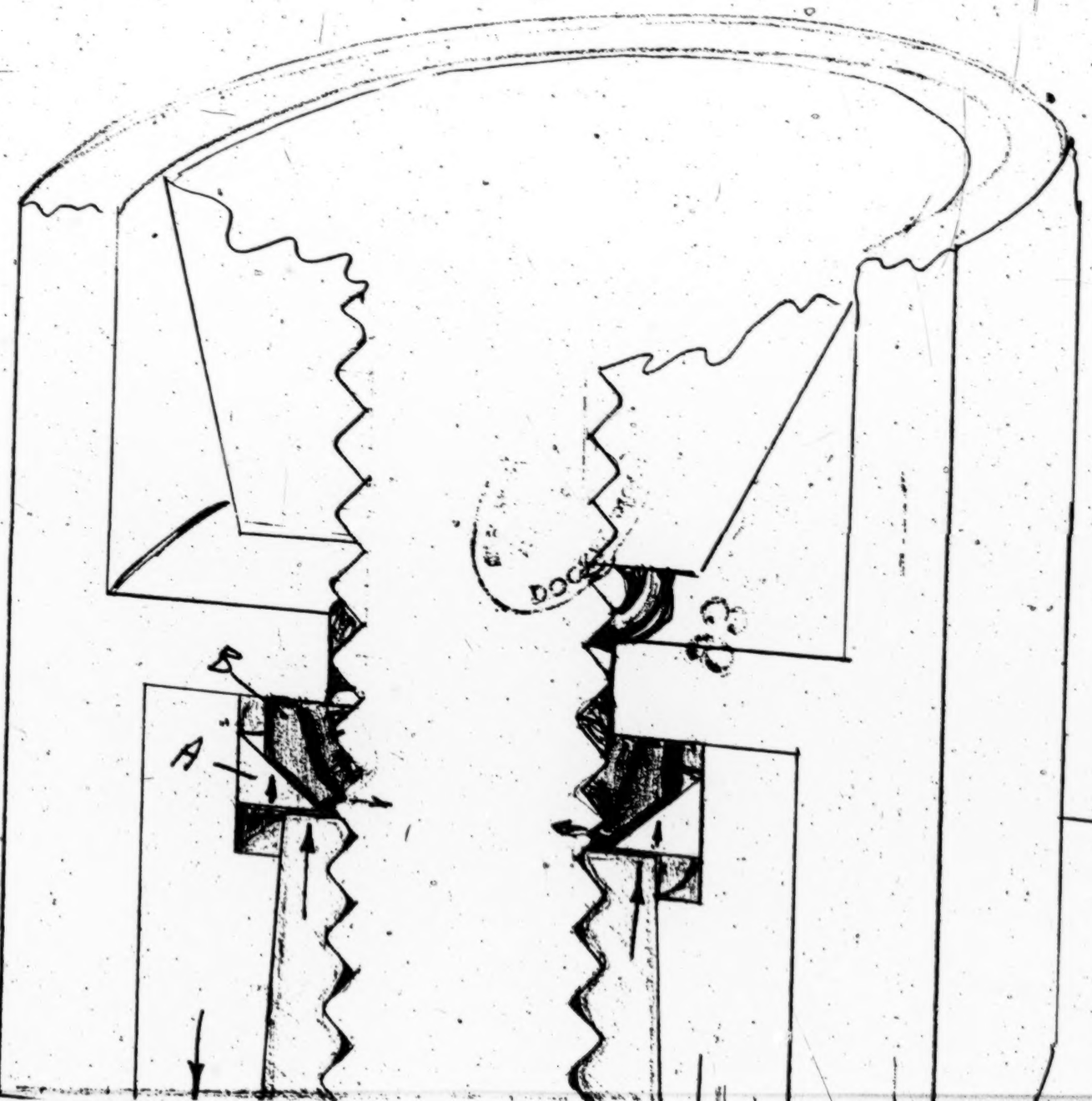
Steel lockbolts of 5/8" and 3/4" diameter would be most generally used to replace the comparable diameter high tensile bolt and possibly this market would also demand a 1" diameter Huckbolt and may be even up to 1½".

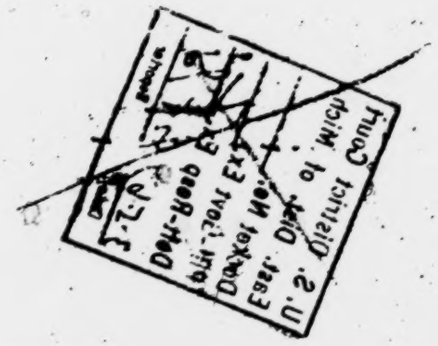
These suggestions are made with the thought in mind that our seventeen year lockbolt patent should be utilized as freely as prudent so that our total income from the patent can be a major factor in our business without helping to cause any machinery which we own to sit idle. Considering Lamson & Sessions as a licensee for a high tensile Huckbolt to take the place of high tensile bolts in building construction work, would we believe, serve this purpose and they are, I believe, quite anxious to enter into the market.

Very sincerely yours, R. Looker.

RL:mcw

DEFENDANTS' EXHIBIT NO. Z




U. S. Dist. No. 1
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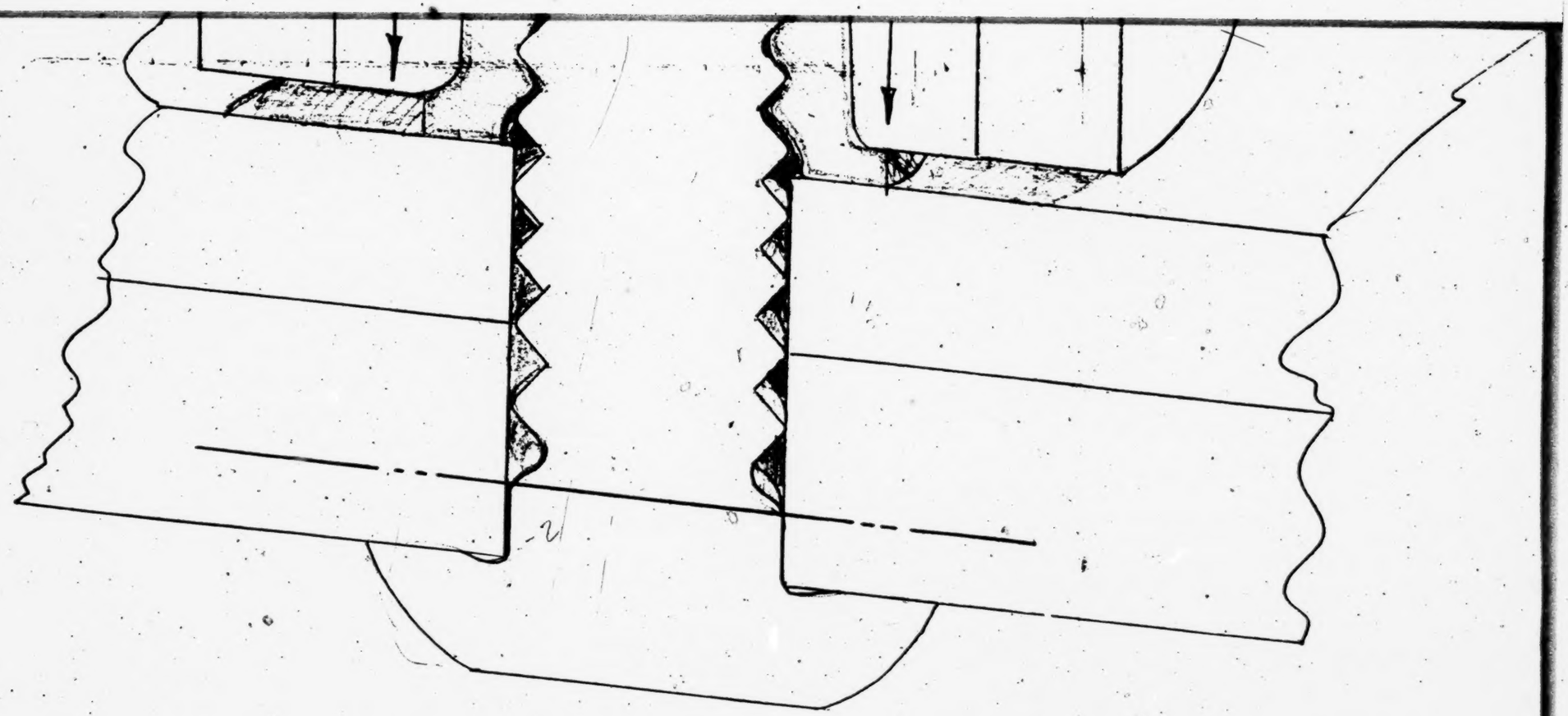
J. T. P.



Egnor v Fooker
Interference # 93815
Junior Party Exhibit #3 (5/26/64
Witness: Fooker
Ptm, Notary

#3

FRACTIONAL DIMENSIONS
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#3

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★ ETCH

CHANGES			
LET.		WAS	DATE

HUCK MANUFACTURING CO.
2480 BELLEVUE AVE.
DETROIT 7, MICH., U. S. A.

TITLE

MATERIAL

HEAT TREATMENT

SCALE ——— =1 FT.
DATE
DR. BY
CH. BY
APP. BY

Same Egnot
10-8-54

Witness R Hoobler 10/18/54.
Frank Dobbs - 10/18/54

[fol. 1274] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANT'S EXHIBIT No. AA

Huck Manufacturing Company
Specialists in Cold Heading
Riveting and Fastening Processes
2480 Bellevue Avenue
Detroit 7, Michigan

D. T. for June 1, '55—JCS

October 19, 1954.

Mr. John C. Sterritt,
Harness, Dickey & Pierce,
7-141 General Motors Bldg.,
Detroit, Michigan.

Dear John:

Attached to this letter you will find a drawing made by a man in our Field Engineering Department, Mr. Sam Egnot, showing a possible Huckbolt variation which may have a very substantial commercial value and which should be considered to be held until we see if it works. The substance of the invention is shown as follows.

In much commercial work it is necessary to have a comparatively wide grip range and in those cases where a wide grip range is necessary, it is not necessary to have a substantial portion of the Huckbolt shank bearing against the walls of the hole. We therefore can make a Huckbolt having only locking grooves with no pull grooves, no shank, or very little shank, and no breakneck. Such a Huckbolt would have the advantage of having an unlimited grip range being installable if the pin were long enough to reach the jaws of the tool.

Egnot's drawing attached shows a device for cutting off the pin after the fastener has been swaged. You will note that the small collar labeled "A" bears against the top of the collar at final swage, forcing the section "B" against the pin. We know that if a piece of material is pulled in tension and there is substantial compression at a point the pin will break at that point because of interaction of forces

there. The device shown is not necessarily one which will be the final answer for the forces could be transmitted to compression section "B" either by the anvil bearing against the top of the collar or by the anvil forces available if the anvil touches the sheet through some mechanical linkage to the compression section.

Our Field Engineering Department is investigating this possibility as their time permits and if it does appear to be something which is practical from a manufacturing and installation standpoint, we are sure that it will be practical from a marketing standpoint and we will therefore possibly ask you to process a patent application.

Very sincerely yours, Huck Manufacturing Company, Robert Looker, Vice President in charge of Sales.

RL:rm

Received October 20, 1954, Harness, Dickey & Pierce, Detroit, Mich.

Attention of: J. C. S. √

[fol. 1275] Egnot v. Looker

Interference # 93815

Junior Party Ex. # 5 (5/26/64)

Witness: Looker

J.S.M., Notary

[fol. 1276] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANT'S EXHIBIT No. BB

BROWN-LINE
Corporation

June 2, 1961.

Mr. John Sterritt,
Harness, Dickey & Pierce,
7-141 General Motors Bldg.,
Detroit, Michigan.

Dear John:

Recalling our conversation at dinner, I would like to check out the Egnot disclosure to see if it anticipated our patent 2,978,946 (which incidentally is awaiting proofing). If it does I would like to know it before we proceed with licensing and/or marketing plans.

Incidentally, I have heard third hand that Huck has claimed to Butler that "Looker's lockbolt comes within Huck lockbolt claims." This I don't get as nothing has been done to even develop the invention as yet, let alone market it.

Perhaps you can't answer the Butler thing (although I wish you would) but the Egnot disclosure should be sent, or we will have to assume that Huck has changed its mind and have decided that they were in error, and that the Egnot disclosure does not anticipate our patent 2,978,946.

My memory of the disclosure is a little hazy. I recall the large drawing with different colors on it and recall witnessing it. In fact it was drawn at my request so that we would have a defendable disclosure in the event we wanted to file on it. Otherwise my memory needs refreshment.

Your help in settling this will be appreciated. If we have issued an invalid patent, we want the patent office to revoke

it, and if we have a valid patent, we want to get the product going.

Very sincerely yours, Brown-Line Corporation, R. Looker, President.

RL:vd

Received June 5, 1961, Harness, Dickey & Pierce, Detroit, Mich.

[fol. 1277] IN THE UUITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. CC

April 11, 1961 R. LOOKER 2,978,946

GROOVED PIN WITH REFORMABLE COLLAR TO ACCOMMODATE VARIOUS THICKNESSES

Filed Feb. 11, 1957 4 Sheets-Sheet 1

Fig. 1

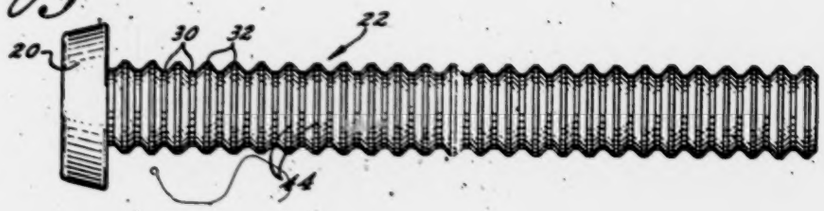


Fig. 2

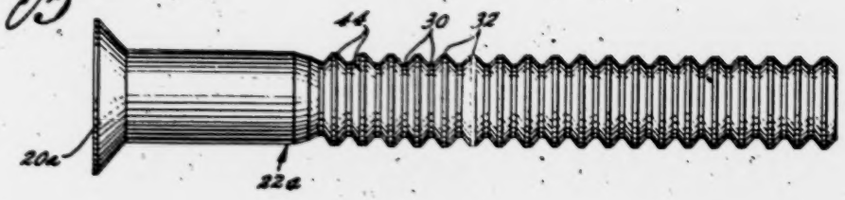


Fig. 3

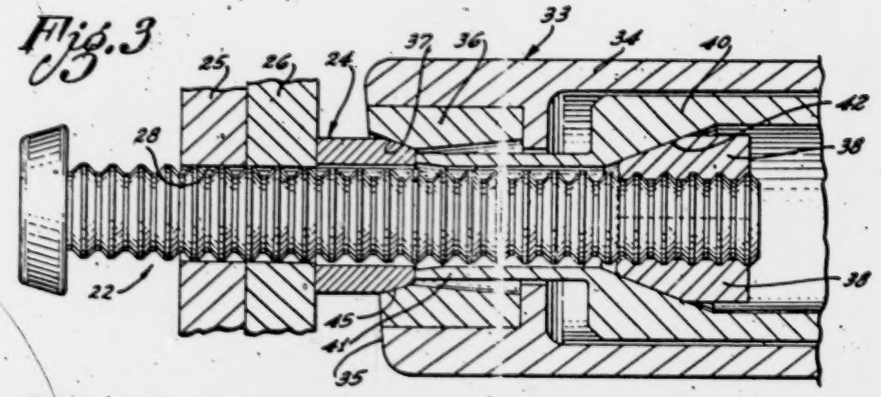
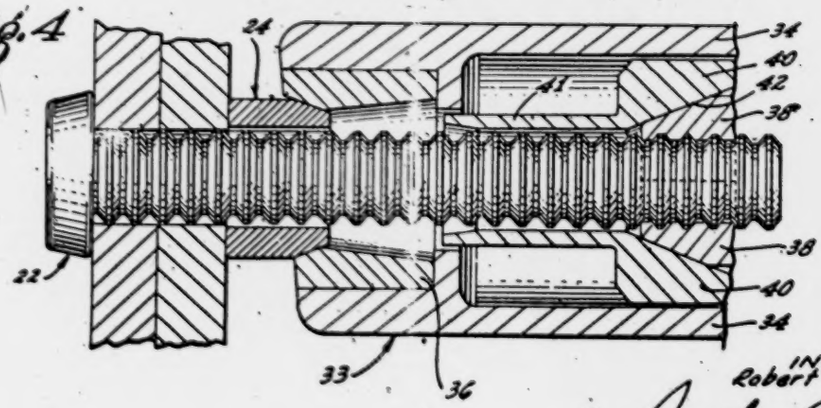


Fig. 4



INVENTOR
Robert Looker

By Smyth & Roston
Attorneys

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April 11, 1961 R. LOOKER 2,978,946

GROOVED PIN WITH REFORMABLE COLLAR TO ACCOMMODATE VARIOUS THICKNESSES

Filed Feb. 11, 1957 4 Sheets-Sheet 2

Fig. 5

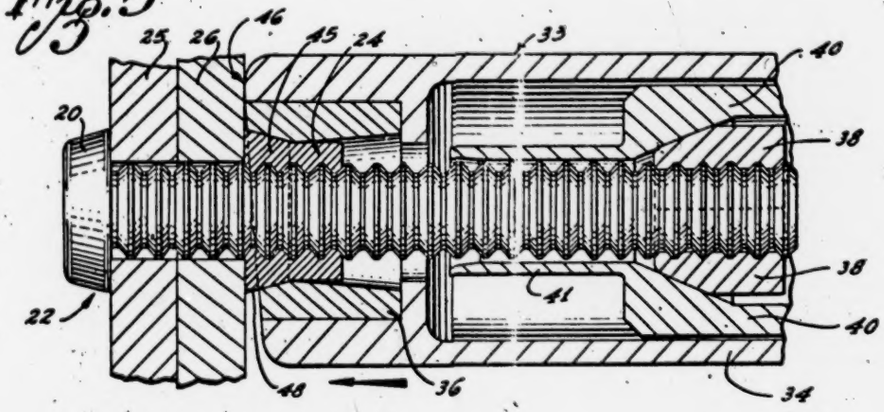


Fig. 6

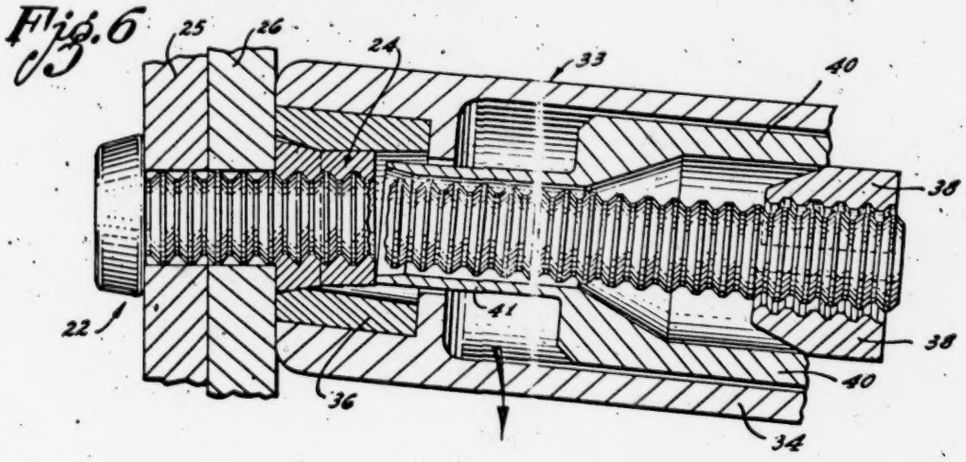


Fig. 7

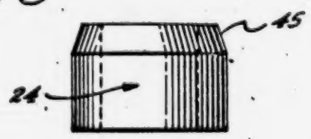
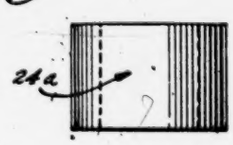


Fig. 8



INVENTOR:
Robert Looker

By Smyth & Roston
Attorneys

April 11, 1961

R. LOOKER

GROOVED PIN WITH REFORMABLE COLLAR TO ACCOMMODATE VARIOUS THICKNESSES

2,978,946

Filed Feb. 11, 1957

4 Sheets-Sheet 3

Fig. 9

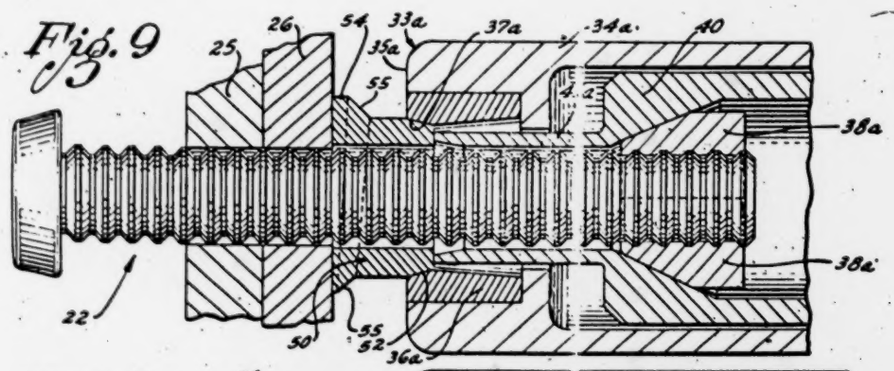


Fig. 10

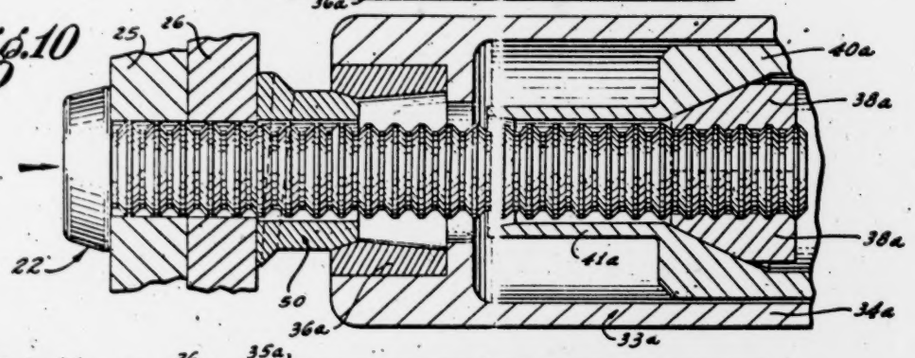


Fig. 11

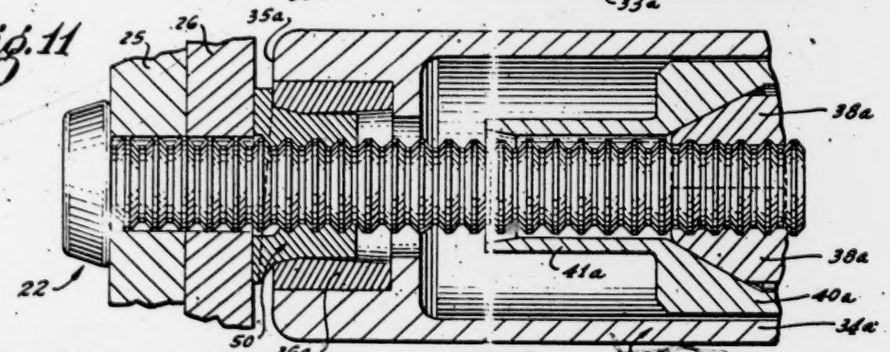
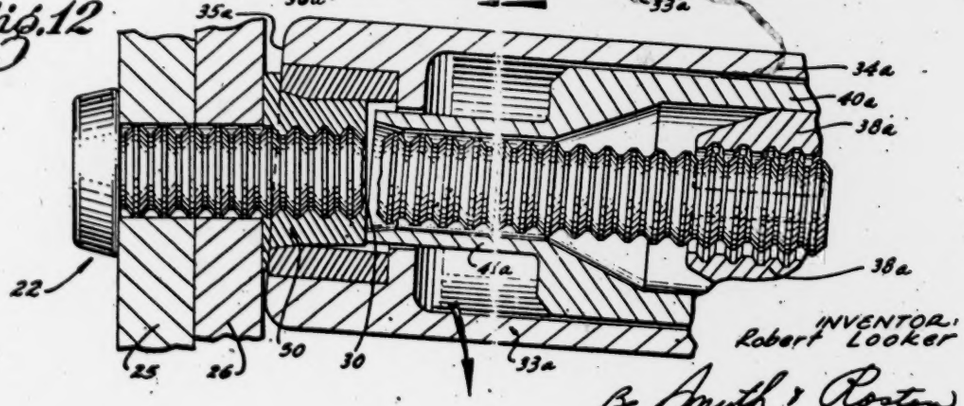


Fig. 12



INVENTOR:
Robert Looker

By Smyth & Roston
Attorneys

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[fol. 1280] **April 11, 1961** R. LOOKER **2,978,946**

GROOVED PIN WITH REFORMABLE COLLAR TO ACCOMMODATE VARIOUS THICKNESSES

Filed Feb. 11, 1957 4 Sheets-Sheet 4

Fig. 13

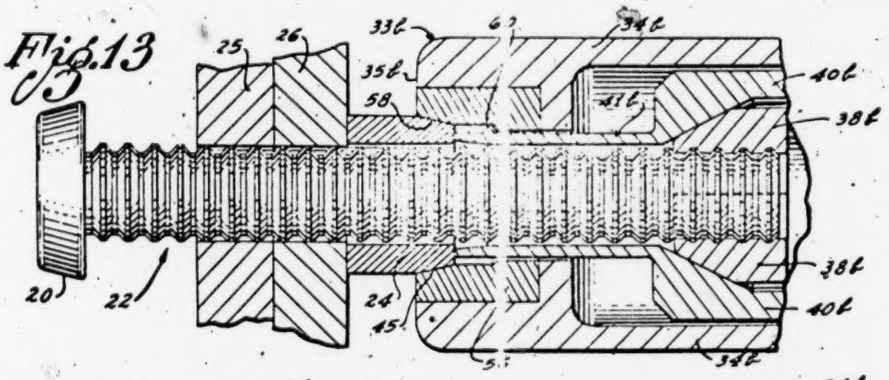


Fig. 14

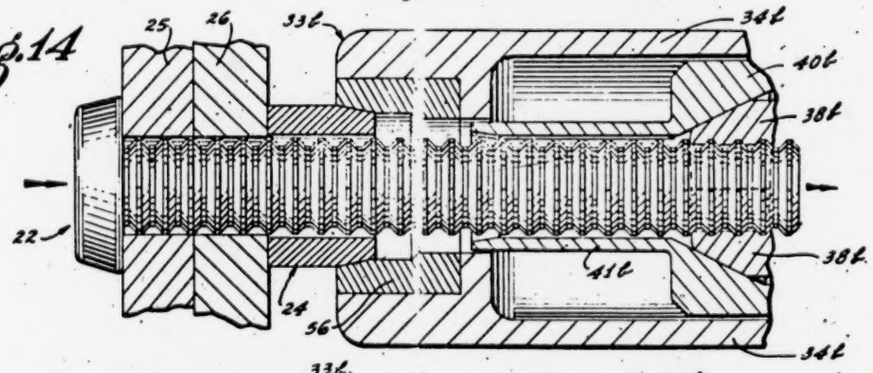


Fig. 15

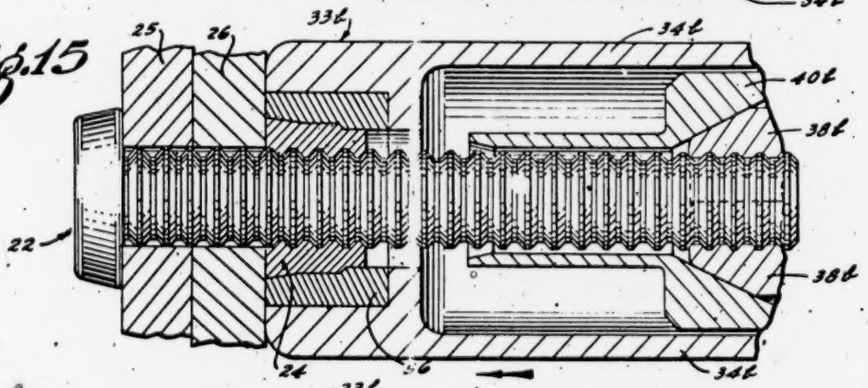
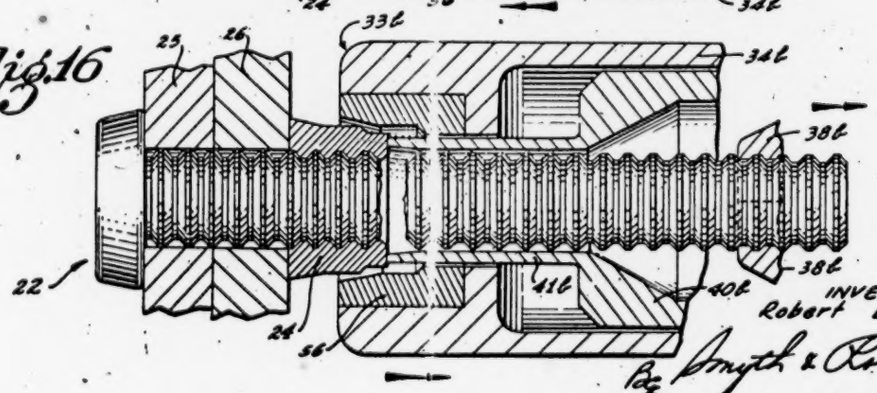


Fig. 16



INVENTOR:
Robert Looker

By Smyth & Roston
Attorneys

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[fol. 1281]

United States Patent Office 2,978,946 Patented Apr. 11, 1961

2,978,946

GROOVED PIN WITH REFORMABLE COLLAR TO ACCOMMODATE VARIOUS THICKNESSES

Robert Looker, Santa Monica, Calif., assignor to Brown-Line Corporation, El Segundo, Calif., a corporation of California

Filed Feb. 11, 1957, Ser. No. 639,474

4 Claims. (Cl. 85—5)

This invention relates to a fastener in the form of a lockbolt for interconnecting a plurality of members such as metal plates, which lockbolt comprises a headed pin for insertion into aligned openings of the plurality of members with a head on one end of the pin to engage one side of the plurality of members and a deformable collar swaged onto the shank of the pin in engagement of the other side of the plurality of members. What may be termed a driving tool is customarily used to install such a device, the driving tool having two sections axially movable relative to each other. One section of the driving tool has jaws to engage the end of the pin to pull the pin into its installed position with the pin under tension. The other section of the driving tool has what is commonly termed an anvil in the form of an annular member to engage and swage the deformable collar in reaction to the tension force that is applied to the pin.

Different portions of the shank of a pin member of such a lockbolt have different functions. A first portion of the shank immediately adjacent the pin head ultimately fills the aligned openings of the plurality of members and therefore its primary requisite is to fit the holes with sufficient snugness to hold the holes in permanent alignment. A second portion of the shank adjacent this first portion must be suitably serrated for positive locking engagement by the deformable collar. A third portion of the shank immediately adjacent this second portion is weakened to form a break neck where the surplus end portion of the pin may be broken off to complete the installation procedure. A fourth shank portion extending to the end of the pin must be suitably serrated for positive engagement by the jaws of the driving tool.

Heretofore, each of these portions of the pin shank has been specialized for its particular purpose. The first shank portion may, for example, have a smooth cylindrical configuration for forced or snug fit into the aligned holes of the plurality of members. The second shank portion may comprise a series of teeth, or ribs, or the like for positive engagement by the deformable collar. The third portion is formed with a relatively deep circumferential groove which provides the weakest part of the shank where the pin is to be broken off. The fourth or end portion of the shank is of suitably serrated configuration for positive engagement by the jaws of the driving tool.

It is apparent that the first portion of the shank adjacent the head of the pin must be accurately dimensioned in length in accord with the total thickness of the plurality of members that are to be secured together. Making this first shank portion too short causes a number of difficulties. One difficulty is that some serrations of the second portion will be positioned inside the aligned openings of the member and these serrations as conventionally formed are not efficient for alignment of the holes of the plurality of members. In the second place, the extent to which this second portion of the shank lies in the aligned openings reduces the extent to which the second shank portion is available for engagement by the deformable collar and thus, reduces the effective strength of the installed lockbolt. In the third place, the breakneck portion may be shifted into the interior of the deformable collar where it is not readily accessible for severance and where severance would seriously weaken the effective strength of the installed lockbolt.

On the other hand, making the first shank portion of the pin too long also results in troublesome difficulties. In the first place, part of the first shank portion extends into the interior of the collar, and since this part is not adapted for positive engagement by the collar, the effective strength of the installed lockbolt is correspondingly reduced. In the second place, the third or breakneck portion of the shank is shifted to an excessive distance from the outer end of the deformable collar so that when the pin is severed at the breakneck portion, the remaining installed portion of the pin is unduly long.

To avoid these difficulties, conventional lockbolts are made in different lengths with the first shank portion of the lockbolts necessarily manufactured especially to suit the total thickness of the plurality of members being joined together. One consequence of specializing the pins in this manner for different total member thicknesses is that it is necessary to purchase and stock a relatively large number of different lengths of the lockbolts to cover a usual range of total member thicknesses found to exist in most assemblies so joined together, since there is always a possibility that one size will be exhausted at a critical time. Another consequence is that the burden is placed on the craftsman to select the different lockbolts with care to fit different installations, since an error usually means that the misfit lockbolt must be removed and discarded with consequent waste of time and material. Having many different sizes to purchase also means higher material cost as price varies inversely with quantity of any one size.

The present invention is directed to the problem of avoiding all of these difficulties and undesirable consequences. The attainment of this purpose is based on the concept of avoiding specialization of the different shank portions, or at least of minimizing differentiation among the shank portions. In fact, in the preferred practice of the invention there is no differentiation whatsoever and all of the four mentioned shank portions are capable of performing all of the described functions with equal effectiveness.

This concept makes it possible to use a single headed pin for securing together pluralities of members having a wide range of total thicknesses. Only one pin need be stocked for the whole range of total member thicknesses and the craftsman is relieved entirely of the burden of selecting particular pins for particular installations.

It will be apparent to those skilled in the art that this basic concept may be carried out in various ways in various practices of the invention. In the preferred practice of the invention, a pin is provided of the maximum length required for a given range of total member thicknesses and the pin shank is provided with a series of axially spaced uniform recesses starting at a point sufficiently close to the pin head and extending to the end of the pin. This point is at least close enough to the head to lie in the inner end of the deformable collar when used with a plurality of members of minimum total thickness in the given range of total member thicknesses. If desired, however, the series of uniform recesses may extend right up to the pin head.

In the preferred practice of the invention, the shank recesses comprise uniformly spaced circumferential grooves which form uniform intervening circumferential ribs, the shank being undifferentiated throughout the length of the recessed portion. With the ribs of an

outside diameter to fit snugly into the aligned holes and with the ribs adequately closely spaced relative to the thickness of the individual members of the pluralities of members, the uniformly grooved portion of the shank is capable of holding the holes in the pluralities of members in permanent alignment. The statement that the ribs are adequately closely spaced relative to the individual members means that the spacing between the successive ribs must be substantially less than the minimum thickness of the individual members of the plurality of members that are to be secured together by the pin. Such close spacing of the ribs insures that at least one rib will extend into the space defined by the planes of the opposite faces of each of the plurality of members for positively maintaining the member in accurate alignment with the adjacent members. As will be made apparent, it is contemplated in one practice of the invention that the ribs will be so dimensioned and spaced relative to the thickness of the members to be secured together that at least two ribs will engage each of the members to insure accurate alignment of the openings of the members. The grooves and ribs provide a serrated configuration for highly effective engagement of the shank by the deformable collar. Each of the grooves is capable of serving as a breakneck so that the grooves may be employed selectively as breaknecks as required by the given range of total member thicknesses. Finally, the serrated configuration provided by the grooves and ribs makes it possible for the jaws of the driving tool to grip the end of the pin shank with the desired effectiveness.

A certain problem arises with regard to the function of the circumferential grooves as selective breaknecks. The use of tension stress in the prevalent prior art practices to cause severance of a breakneck portion requires that the breakneck portion be greatly weakened. One reason for greatly weakening the pin at this point is that the single breakneck of the prior art fastener must be the weakest point of the pin by a liberal margin to make sure that the shank breaks off at this particular point in response to the final tensioning of the pin. A second reason for greatly weakening the pin at the breakneck is to keep the required magnitude of tension force within practical limits. Obviously if such a highly weakened point of the shank were positioned in the aligned holes of the plurality of members or were even positioned inside the deformable collar, the effective strength of the installed lockbolt would be reduced to an unacceptable degree. The problem, then, is to provide spaced circumferential grooves that are deep enough for selective use as breaknecks but, nevertheless, provide sufficient strength to carry the tensile load required of the installed lockbolt.

The present invention solves this dilemma by combining two separate forces to break off the pin at circumferential grooves selectively. The first force is the usual tension force for straining the shank longitudinally. The second force is a localized transverse force. The addition of this second transverse force has two advantages. One advantage is that the combining of the two forces makes it possible to break the shank at the axially spaced grooves without requiring that the axially spaced grooves be so deep as to weaken the lockbolt unduly. The second advantage is that the transverse force may be selectively localized to cause the pin to break off at any selected circumferential groove.

The second transversely applied stress may be, for example, either a localized bending stress or a localized transverse compression stress. The compression stress may be, if desired, radial compression applied uniformly around the circumference of the pin shank.

A further and important feature of the invention is that a driving tool of a well known type can be used not only to install the lockbolt but also to provide the second transverse stress automatically as soon as the deformable collar is adequately swaged into positive engagement with the pin shank. In one practice of the invention, the driving tool has a canted leading end or nose that fulcrums against the plurality of members to create the second transverse stress automatically when the collar is adequately swaged. In another practice of the invention, the driving tool has a nose of normal configuration but the deformable collar cooperates with the driving tool to cause the canting movement of the tool for creation of the second transverse stress. In still another practice of the invention, the driving tool has two successively effective swaging elements, the first element swaging the collar into positive engagement with the pin shank and the second swaging element radially compressing the swaged collar at its outer end to cause correspondingly localized radial compression of the pin shank.

The various features and advantages of the invention will be apparent from the following detailed description considered with the accompanying drawings.

In the drawings, which are to be regarded as merely illustrative:

Figure 1 is a side elevation of a headed pin employed in one practice of the invention, the whole length of the shank of the pin being provided with uniformly spaced circumferential grooves;

Figure 2 is a similar view of another headed pin that may be employed wherein the series of circumferential grooves starts at a substantial distance from the pin head;

Figures 3, 4, 5 and 6 show successive stages in the procedure of installing the pin of Figure 1 by means of a driving tool, the driving tool having a canted nose or leading end to create a correctly timed localized bending moment for severance of the tension pin shank at a selected circumferential groove;

Figure 7 is a side elevation of the deformable collar shown in Figures 3 to 6;

Figure 8 is a side elevation of a deformable collar of slightly different configuration that may be employed;

Figures 9, 10, 11 and 12 are stages in a second installation procedure wherein a conventional driving tool cooperates with a deformable collar that has a peripheral shoulder to cause the required canting of the driving tool automatically after the deformable collar is swaged into engagement with the pin shank;

Figures 13, 14, 15 and 16 illustrate the stages in a third procedure for installing the pin of Figure 1 by means of a driving tool, the driving tool being provided with two successively effective swaging elements, the second of which constricts the swaged collar near its outer end to create localized radial compressive stress in the pin shank to cause the pin to break at a corresponding circumferential groove.

Figure 1 shows a pin with a head 20 and a shank, generally designated 22, that, as shown in Figures 3 to 6, may be employed with a deformable collar 24 to interconnect a plurality of members, such as a pair of plate members 25 and 26 having aligned openings or bores 28 therein. The shank 22 has a series of circumferential grooves 30 which are preferably uniformly spaced to form a series of uniform intervening circumferential ribs 32. In the preferred practice of the invention, it is contemplated that the installation will be accomplished by means of a driving tool of the general character disclosed in the Huck et al. Patent 2,053,718; the Huck et al. Patent 2,053,719; the Huck Patent 2,114,493; and the Huck Patent 2,527,307.

As indicated in Figures 3 to 6, a driving tool of this character, generally designated by the numeral 33, has two sections adapted for axial movement relative to each other. One section includes a barrel 34 having a leading end face 35, this barrel carrying an anvil or annular swaging element 36 for constricting the deformable collar 24 into positive engagement with the pin shank 22. For this purpose, the swaging element 36 has a tapered annular surface 37 at its leading end adapted to slide onto

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[fol. 1283]

the deformable collar 24 with the desired constricting swaging effect. The second section of the driving tool includes a radially expansible and contractable set of jaws 38 and a surrounding cylindrical jaw-actuating member 40. The member 40 has a tubular extension 41 and is formed with a tapered inner surface 42 for cooperation with the set of jaws 38 to constrict the jaws into positive engagement with the pin shank 22.

In Figure 1, the series of grooves 30 extends all the way from the outer end of the pin shank to the head 20. It is to be understood, however, that the distance from the pin head to the first groove of the series of grooves may be as short as the minimum total thickness of a plurality of members in the contemplated range of total member thicknesses for which the lockbolt is designed. For example, if the lockbolt that includes the pin shown in Figure 1 is to be used to interconnect a plurality of plate members varying in total thickness from a minimum of ⅜ of an inch to a maximum of an inch or more, the series of circumferential grooves 30 may start at a point ⅜ of an inch from the pin head. Thus, Figure 2 shows a second pin having a tapered head 20*a* and a shank 22*a*. The shank 22*a* has the usual circumferential grooves 30 forming intervening ribs 32 but a portion of the shank adjacent the head 20*a* is of smooth cylindrical configuration. The length of this smooth portion is the minimum thickness in the contemplated range of total thicknesses of the pluralities of members for which the lockbolt is designed.

As may be seen in Figures 3 to 6, the outside diameter of the circumferential ribs 32 approximates the inside diameter of the openings 28 in the members 25 and 26 so that the ribs fit into these openings with sufficient snugness to hold the openings in permanent alignment when the lockbolt is completely installed. The circumferential ribs 32 may have cylindrical peripheral surfaces 44 or the ribs may be rounded in cross section if desired.

The grooves 30 and the ribs 32 provide a serrated configuration for high effective engagement by the collar 24 as well as for highly effective engagement by the set of jaws 38. It is further to be noted that the grooves 30 are of sufficient depth to permit the pin to be broken off at a selected groove by the application of stress in tension together with the application of a transverse stress as heretofore, described. This groove depth, however, is much less than the groove depth required for the breakneck of a conventional pin.

The leading end face 35 of the driving tool 33 used in Figures 3 to 6 is canted, i.e. inclined away from the usual plane perpendicular to the longitudinal axis of the tool. Thus, as shown in Figures 3 to 6, the leading end face 35 of the driving tool 33 is initially inclined out of parallel to the two plate members 25 and 26.

In the installation procedure illustrated by Figures 3 to 6, the headed pin is first inserted into the aligned openings 28, the deformable collar 24 is slipped over the end of the pin, and then the driving tool 33 is manipulated to cause the jaws 38 to grip the end of the serrated pin shank as shown in Figure 3 with the swaging element 36 abutting a tapered end surface 45 of the deformable collar 24. It is apparent that to make this procedure possible for interconnecting pluralities of members of varying total thicknesses over a range from a given minimum total thickness to a given maximum total thickness, the length of the shank of the serrated pin must be substantially greater than the given maximum total thickness plus the axial dimension of the deformable collar to insure that a portion of the pin will extend beyond the deformable collar for engagement by the jaws of the driving tool.

In a well known manner, the set of jaws 38 exerts pull on the headed pin with the reaction force of the pull exerted against the deformable collar 24. Consequently the pull on the headed pin draws the pin to the position shown in Figure 4 with the head 20 in abutment with one side of the plurality of members 25 and 26 and with the deformable collar 24 in abutment against the other side of the plurality of members. The reaction force exerted against the collar 24 in response to this initial axial displacement of the pin is not sufficient to deform the collar to any significant degree.

With continued movement of the set of jaws 38 axially away from the swaging element 36, the reaction force exerted against the deformable collar 24 causes the tapered restricting surface 37 to slide over the length of the collar 24 with consequent radial constriction of the collar into positive engagement with the serrated pin shank as shown in Figure 5. Up to this point, the installation operation follows the usual stages in the installation of a lockbolt by a driving tool of this type. At this point in the installation operation, however, the force in reaction to the pull on the pin shank is transferred from the deformable collar 24 to the face of the adjacent plate member 26 and since the leading end face 37 of the driving tool is canted with the point of pressure against the plate member offset from the pin, the driving tool tends to fulcrum on the pressure point and thus tilt or swing away from alignment with the pin. Thus, in Figure 5, with increasing pull on the shank of the pin, the driving tool tends to fulcrum about the pressure contact point 46 and to rock towards a position with the leading end face 35 flat against the plate member 26.

As a result of this reaction tilting force, the set of jaws 38 applies a bending moment to the shank of the pin. The bending stress is concentrated or localized at the outer end of the deformed collar 24 since the deformed collar cooperates with the plate members 25 and 26 to reinforce the shank to resist bending beyond this point. This localized bending stress increases in magnitude as the tension stress of the pin increases until, as shown in Figure 6, the pin snaps off at whatever circumferential groove 30 is adjacent the outer end of the collar. It is apparent that this final breaking action occurs automatically in response to the continued axial separation of the two sections of the driving tool 33.

It may be noted that, because of the canted nose configuration of the driving tool and because this canted configuration is shared by the swaging element 36, the swaging element does not reach a portion 48 of the deformable collar 24 at the stage shown in Figure 5. The subsequent canting of the driving tool, however, tends to rock the swaging element 36 to the position shown in Figure 6 with a snap action to complete the deformation of the collar into positive engagement with the pin shank.

When the pin shank breaks off at the selected circumferential groove 30, the tool may tend to remain in engagement with the swaged collar but the jaw-actuating member 40 is immediately shifted forward to release the severed end of the pin shank and the consequent forward movement of the tubular extension 41 of the jaw-actuating member frees the tool. Thus Figure 6 shows how the tubular extension 41 moves against the deformed collar to force the swaging element 36 out of engagement with the deformed collar.

The deformable collar 24, in this first described practice of the invention, has the configuration shown in Figure 7, being formed with the previously mentioned tapered end surface 45. It is to be understood, however, that the deformable collar may be of various configurations. Figure 8, for example, shows a deformable collar 24*a* that is of the configuration of a plain cylindrical sleeve.

In a second practice of the invention illustrated by Figures 9 to 12, a conventional driving tool 33*a* is employed without modification. The canting of the tool at the end of the installation operation is accomplished by employing a deformable collar 50 of special configuration.

The conventional driving tool 33*a* has the usual barrel 34*a* with a leading end face 35*a* that is normal to the axis

[fol. 1284]

of the tool. The barrel 34*a* carries the usual symmetrical swaging element 36*a* having the usual constricting swaging surface 37. The usual set of jaws 38*a* is controlled by a jaw-actuating member 40*a* having a tubular extension 41*a*.

The deformable collar 50 has a tapered end surface 52 for initial engagement by the swaging element 36*a*. The base end of the deformable collar 50 is formed with a radial enlargement 54 which is of canted diametrical cross-sectional configuration, the enlargement providing a tapered circumferential shoulder in the path of the leading end of the swaging element 36*a*.

The first two stages of the installation operation in this second practice of the invention illustrated by Figures 9 and 10 is the same as the first two stages of the first described practice of the invention. When the swaging element 36*a* in deforming the collar 50 reaches the point shown in Figure 11, however, the canted shoulder 55 of the collar tends to cause the driving tool 33*a* to cant to the position shown in Figure 12. In this manner, the canted configuration of the deformable collar causes the driving tool to place the pin shank under bending stress at the selected annular groove 30 for severance of the pin shank. After the end of the pin breaks off, the tubular extension 41 of the jaw-actuating member pushes against the deformed collar to free the driving tool from the collar.

The third practice of the invention illustrated by the Figures 13 to 16 employs a driving tool 33*b* having the usual barrel 34*b*, the barrel having a nose or leading end face 35*b* normal to the axis of the tool. The driving tool 33*b* has the usual set of jaws 38*b* controlled by a jaw-actuating member 40*b*, the jaw-actuating member having the usual tubular extension 41*b*.

The tool 33*b* differs from the conventional driving tool in having a swaging member 56 that may be considered as comprising two constricting swaging elements. Thus, the swaging member 56 has a first or leading constricting swaging surface 58 and a second subsequently effective constricting swaging surface 60 that steps down in diameter. This driving tool is employed with a conventional deformable collar such as the previously described deformable collar 24.

Here again the first two stages of the installation operation shown in Figures 13 and 14 is the same as in the first described operation. As the driving tool approaches the stage shown in Figure 15 to complete the swaging of the collar 24, however, the second constricting swaging surface 60 constricts the outer end of the collar 24 and thus, subjects the corresponding region of the pin shank to concentrated high magnitude radial compression. With continued rise in the force of separation acting between the two sections of the driving tool, the tension of the pin shank correspondingly increases until the tension stress combined with the localized radial compression stress causes the pin shank to break at the selected circumferential groove, as shown in Figure 16. Usually, the reaction of the tool to the breaking of the pin frees the tool from the deformed collar. If not, the immediate advance of the tubular extension 41*b* of the jaw-actuating member 40*b* forces the tool free.

My description in specific detail of the selected practices of the invention will suggest various changes, substitutions and other departures from my disclosure within the spirit and scope of the appended claims.

I claim:

1. The combination of a plurality of rigid members each having an opening therethrough of a common uniform diameter, said members being adapted to be abutted with said openings aligned, each of said members being of at least a given minimum individual thickness and the combined thickness of said members being within the range of thicknesses extending from a given minimum total thickness to a given maximum total thickness, and a fastening means to extend through said aligned openings to cooperate with a deformable collar for interconnecting the members, said fastening means comprising a pin with a shank and a head on one end of the shank, said shank having a substantially uniform maximum diameter throughout and having a series of axially spaced circumferential grooves, each providing the minimum diameter of the shank and forming a series of frangible breaknecks and forming therebetween spaced ribs of said maximum diameter to seat snugly in of any said openings and to be engaged by said collar by swaging of the collar into the breaknecks, said series of breaknecks extending from the second end of the pin to at least a point spaced from said head by said given minimum total thickness so that the collar will engage a rib of the pin adjacent a plurality of the members of said given minimum total thickness as well as adjacent any plurality of said members of greater total thickness within said range, the spacing of said ribs being substantially less than said given minimum individual thickness so that when said series of breaknecks extend through any of said members at least one of the ribs will lie between the planes of the opposite faces of such members to maintain said openings of the members in alignment, said shank being of a length substantially greater than said given maximum total thickness plus the axial dimension of said collar whereby the shank may extend through a plurality of said members of said given maximum total thickness and through and beyond said collar to be engaged by tool means and whereby in securing together any plurality of said members of a total thickness within said range, the shank may be broken off at a breakneck immediately adjacent the outer end of said collar.

2. Fastening means as set forth in claim 1 in which said ribs have cylindrical peripheral surfaces.

3. Fastening means as set forth in claim 1 in which said ribs are closely spaced for at least two ribs to engage one of said members of said given minimum individual thickness.

4. Fastening means as set forth in claim 3 in which the portion of said shank between said point and said head is of uniform cylindrical configuration and is dimensioned for snug fit in said openings.

References Cited in the file of this patent

UNITED STATES PATENTS

643,045	Denis	Feb. 6, 1900
2,061,628	Huck	Nov. 24, 1936
2,355,579	Wing	Aug. 8, 1944
2,385,886	Shaff	Oct. 2, 1945
2,395,667	Keller et al.	Feb. 26, 1946
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2,531,049	Huck	Nov. 21, 1950

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See pg. 20 Lns. 21 of Interf. for Annots 2, Cl. 1- Copied for Clarity

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[fol. 1285] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. DD

HUCK MANUFACTURING COMPANY
Departmental Correspondence

Date: August 23, 1954.

Subject: Catalogue Sheets New Order Pricing Policy.

To: All Product Engineers.

From: Martin E. Welch, Jr.

Copies: AWA, AEB, RL, TNB, PP, WJW, JJS, BSC, MEW, File √

Attached, punched for insertion in your catalogue, is a copy of the new order pricing policy sheet for CL, 9SP, PT, HR, CKL, and OS fasteners (Form 8-336), and one copy of the new policy for AL, ALS, BL and Huckbolt Collars (Form 8-300).

Details of revised order pricing policy were outlined in Robert Looker's memorandum of August 19, 1954.

The attached new sheets are now going out in all catalogues for which the coinciding sections, on the request card, have been checked.

Very best regards, Martin E. Welch, Jr.

MEW/ab.

Messrs: Adams, Clute, Crook, DeLoach, Fleeger, Hanneman, Houston, Huegin, Martin, Mather, Miller, Morgan, Buehring, Miner, Proffitt, Ransom, Strother, Salogga, Singleton, Thomson, Thone, Turney, Tyson, Unfried, Upton, Villacres, Sarno.

[fol. 1286] HUCK MANUFACTURING COMPANY

Effective August 25, 1954.

ORDER PRICING POLICY for—

CL—Commercial Huckbolts
9SP—Self Plugging Blind Rivets
PT—Pull Through Blind Rivets
HR—Hollow Rivets
CKL—Conical Keystone Lock Blind Rivets
OS—Structural Head Type Blind Rivets

Terms:

All prices are subject to Huck Manufacturing Company's standard terms of ½ of 1% ten days—net 30 days, F. O. B. Huck Manufacturing Company, Detroit, Michigan.

Pricing:

Each ordered item will be priced as indicated by the quantity bracket in which it falls, subject to the following:

1. Grouping

a. Quantities of Huck standard fasteners (those fasteners having published prices except the sizes shown in red or italics) of various head types, materials, diameters and grip lengths may be grouped within the limitations of the basic product categories, shown in 1-b, in order to obtain the advantage of lower published price brackets provided releases are in accordance with 2-a and 2-b.

b. Standard items in each numbered basic product category listed below may be grouped only with other items in the same numbered basic product category.

1. Commercial Huckbolts

2. * Self Plugging Blind Rivets

* Pull Through Blind Rivets

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* All head types, materials, diameters and grip lengths, except 56-S Aluminum Alloy (B) material, which may be grouped with other 56-S Aluminum Alloy Self Plugging and Pull Through items only.

HR Blind Rivets

3. Conical Keystone Lock Blind Rivets

4. Structural Head Type Blind Rivets

c. Items of the same category to be grouped may appear on more than one purchase order, Providing All Such Purchase Orders Originate From One Location, Are Cross Referenced to Indicate a Group Price Basis and are Received at our Detroit Office at the Same Time.

2. Split Shipments

a. Split shipments (partial releases) on quantities of 20,000 pieces or more of any one standard item may be scheduled over a period not to exceed one year from date of order without price penalty, provided each release is for 10,000 pieces or more and a complete release schedule covering the entire order is received with the order.

b. Items of less than 20,000 pieces each must be scheduled for one shipment only, within one year from date of order and the specified schedule must accompany the order.

Exceptions:

3. Extended Scheduling:

If ordered items are scheduled in release quantities less than those specified in 2-a and 2-b, the total quantity will be divided by the number of releases and the price applicable to the resultant quantity will apply to each shipment of the item.

4. Partial Cancellations and Rescheduled Releases

a. In cases in which conditions dictate a reduction or partial cancellation of an order, the uncancelled portion of such order or grouped orders (including quantities shipped), will be repriced in accordance with the quantity bracket applicable to such uncancelled portion.

b. If the unshipped portion of an order or grouped orders is rescheduled in such a manner as not to con-

form to the provisions of 2-a and 2-b, the entire shipped and/or unshipped order, or grouped orders, will be repriced in accordance with the new schedule.

5. Special Packaging

An additional charge will be made for packaging in containers or quantities requested by the customer which differ from Huck Manufacturing Company's standard commercial domestic packaging.

6. Quantity

Orders must be in multiples of 100 pieces, which is the minimum packaging quantity.

[fol. 1287] HUCK MANUFACTURING COMPANY

Effective August 25, 1954.

ORDER PRICING POLICY for—

AL—Aircraft Huckbolts
ALS—Aircraft Huckbolt Stumps
BL—Blind Huckbolts
LC—Huckbolt Collars

Terms:

All prices are subject to Huck Manufacturing Company's standard terms of ½ of 1% ten days—net 30 days, F. O. B. Huck Manufacturing Company, Detroit, Michigan.

Pricing:

Each ordered item will be priced as indicated by the quantity bracket in which it falls.

Quantities:

Orders must be in multiples of 100 pieces for Huckbolts, Stumps and Collars, which is the minimum packaging quantity. (This does not apply to Blind Huckbolts.)

Split Shipments:

Split shipments (partial releases) on any standard item ordered may be scheduled over a period not to exceed one year from the date of the order without price penalty, provided a complete release schedule covering the entire order is received with the order.

Special Packaging:

An additional charge will be made for packaging in containers or quantities requested by the customer which differ from Huck Manufacturing Company's standard commercial domestic packaging.

Huck Manufacturing Company, WAlnut 1-6207, 2480 Bellevue Avenue, Detroit 7, Michigan.

[fol. 1288] IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

DEFENDANTS' EXHIBIT No. EE

June 9, 1958.

R. E. Casner (2)
P. E. Horst:mb

Price Policy—Lockbolt Products

1. Products Covered by any Price Published by any Producer:

A. If we do not have an established price, it is our policy to quote the same price as our competition. (Our reason for doing this has nothing to do with our license or any other agreement; it is simply the same policy we try to follow in pricing products that are equal to our competitors' in order to avoid chaotic market conditions.)

2. Products Not Covered By Any Published List:

A. If we develop the item:

Estimate selling price and quote in line with nearest comparable products.

B. If developed by our competitor:

1) Undesirable Quantities:

Use Method (2A) above *or higher.*

2) Desirable Quantities:

Get special policy from one of the following:

P. E. Horst
F. R. Dickenson
R. E. Casner (if foregoing are not available)

Under no circumstances is there to be any collaboration on prices with our competition on this product or on any other.

cc: E. B. Buster (2).

[fol. 1289] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21,791

[Title omitted]

MOTION OF DEFENDANTS TO DISMISS THE ABOVE ENTITLED ACTION UNDER RULE 41(b) OF THE FEDERAL RULES OF CIVIL PROCEDURE, UPON THE GROUND THAT UPON THE FACTS AND THE LAW PLAINTIFF HAS SHOWN NO RIGHT TO RELIEF—Filed April 15, 1963.

Plaintiff in the above entitled action having filed herein the record of proceedings in United States v. Huck Manufacturing Company et al, Criminal Action No. 39,017 in this Court, subject to all objections appearing therein, as constituting Plaintiff's case in chief in this Civil Action on which Plaintiff rests;

The Defendants herein now move for dismissal of this action on the ground that Plaintiff having completed the presentation of its evidence has shown no right to relief upon the facts and the law.

Respectfully submitted, Huck Manufacturing Company Defendant, by Arthur W. Dickey, John C. Sterritt, Albert M. Stern Its Attorneys, Sec. AWA.

[fol. 1290] Townsend Company, Defendant, By Thomas W. Pomeroy Jr., Samuel K. McCune, W. Walter Braham Jr., Its Attorneys, per AW Dickey.

Dated April 15, 1963.

CERTIFICATE OF SERVICE (omitted in printing.)

[fol. 1291] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY and TOWNSEND COMPANY, Defendants.

Transcript of Proceedings—April 22, 1963.

Motion of defendants to dismiss under Rule 41(b) of the Federal Rules of Civil Procedure.

Before the Honorable Thaddeus M. Machrowicz, District Judge. At Detroit, Michigan.

* * * * * * *

[fol. 1292] 1:30 o'clock p.m.

Clerk of the Court: Number 21791, United States of America versus Huck Manufacturing Company and Townsend Company.

The Court: Are all parties ready?

Mr. Dickey: Counsel for the Townsend Company, the other defendant, has not come in yet. We represent the Huck Manufacturing Company.

I think he will be here any minute.

The Court: All right take this off the record.

(An off-the-record discussion was thereupon had.)

(Counsel for the defendant Townsend Company appeared in court during the off-the-record discussion.)

The Court: All right, gentlemen, you may proceed. I think we are now proceeding on a Motion for a Directed Verdict, is that correct?

PRESENTATION BY MR. DICKEY

Mr. Dickey: It is a Motion for Dismissal under Rule 41(b).

The Court: Motion for Dismissal?

Mr. Dickey: Yes.

We are in a situation where the Government has filed in this court a transcript of the proceedings in a [fol. 1293] companion criminal action.

The Court: Is there a stipulation filed that the proceedings may be received, and that that constitutes the Government's case?

Mr. Dickey: The Government's case, and that the defendants were given permission to move to dismiss.

The Court: Yes. Very well.

Mr. Dickey: As the Court no doubt knows, in the criminal action, at the close of the Government's case, and that is presently the record in this case, the defendants moved for a judgment of acquittal and that motion was granted on the ground that the Government had not by its evidence established the Sherman Act violations that were alleged.

The Court: In order to facilitate the argument of counsel, I might say that the Court has read the transcript and has gone over the briefs of all the parties concerned, with the exception of the material that has been furnished the Court this morning.

* * * * * * *

[fol. 1294] The Court: Will you point to me the variations you consider are applicable between this and the General Electric case.

PRESENTATION BY MR. LIPSON

Mr. Lipson: Gladly, your Honor.

The General Electric case insofar as it delves with this area we are now considering, came up on stipulation, on a stipulated record, and it dealt with a license granted by General Electric Company to the Westinghouse Company by which General Electric was permitted to fix the price that Westinghouse would sell these electric light bulbs that [fol. 1295] were patented.

That was all. That was all of the fact in that case. There was nothing more.

But our case goes far beyond that because the agreement that we are talking about is not one where the patentee imposes his decision on price to the licensee which was permitted by the Court in General Electric, but here the licenseee is restraining the patentee because the licensee is participating in the price determination.

The licensee in this case is limiting, by the nature of the agreement, is limiting the ability of the patentee to license whomsoever the patentee desires. These things were not present in the General Electric case.

The General Electric case illustrates in the opinion that there were numerous other licensees from General Electric, but the very nature of the restraint in this case prevents the patentee from licensing others. It keeps others out of the business.

The purpose, the salutary purpose, of permitting this limited area of price fixing in the General Electric case as I understand the reasoning of the Supreme Court, was to encourage the licensee to license others. If the licensee lives in fear—pardon me—if the patentee lives in fear that the licensee might underprice him, conceivably a patentee would be unwilling to offer these licenses and the result [fol. 1296] would be that there would be a limitation on the number of firms manufacturing the particular item.

But here, the very nature of the restraint by which Huck, the patentee, is prevented from licensing others surely goes against the very reason for the existence of this permissive area of price fixing in General Electric.

At any rate, General Electric was severely limited on its facts, it did not sanction collusive or collective arrangements between a patentee and his licensee, and I think that the subsequent cases have borne this out. The language of this Court in the Besser case, which was affirmed by the Supreme Court that collective arrangements by which licenses are limited, must fall.

The same thing is repeated by a case defendants have cited and relied on by Judge Rodney in the Cauk case in the District Court in Delaware in 1964. I will treat that case at greater length in awhile, your Honor.

Since the General Electric case cannot be held to apply to

the pervasive kind of an agreement that was entered between these two companies, the price fixing scheme stands in connection with the other parts of the arrangement on no better footing than any other kind of price fixing arrangement.

That is to say, your Honor, it is unlawful per [fol. 1297] se.

* * * * * * *

[fol. 1298] The very character of the per se violation, the ruling by the Supreme Court in the New Wrinkle case establish that in this case, in this contest, there is no need to inquire. Indeed, it is completely irrelevant to inquire into the reasonableness or alleged economic justification or economic surroundings of the agreements here contained.

* * * * * * *

[fol. 1299] The White Motors case on which defendants place some reliance is, we think inappropriate. The matter that came up in the White Motor case involved a kind of arrangement between a manufacturer and his distributors by which these distributors in the vertical distribution line of the truck business were prevented from selling White trucks in certain geographical areas and to certain customers.

The case was treated by the Supreme Court as one of first impression. The Government through the Solicitor General, argued that the Supreme Court should rule that [fol. 1300] that kind of arrangement was unlawful per se.

The Supreme Court was unwilling to make that kind of a determination based on the record then before the Supreme Court and that record was quite a limited one. It was a summary judgment case and the Court sent the case back for further evidence before it would make any determination on whether or not the kind of action involved in the White Motors case was per se unlawful but unlike White Motors the kind of restraint involved here, that is, efforts to exclude others, efforts to price fix beyond a scope of the General Electric case are and have been declared unlawful already by the Supreme Court and, therefore, there is no cause for any further investigation of the economic effects.

[fol. 1301] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY AND TOWNSEND COMPANY, Defendants

FINDINGS OF FACT AND CONCLUSIONS OF LAW UPON DISMISSAL UNDER RULE 41 (b) OF THE FEDERAL RULES OF CIVIL PROCEDURE—February 27, 1964.

Status of Case

This is a civil action upon complaint of United States of America against the defendants under 15 USC 4 to prevent and restrain alleged combination and conspiracy by defendants in violation of the Sherman Act, 15 USC 1 and 2.

Jurisdiction of the subject matter hereof and proper venue of the parties hereto duly appear and are conceded by the parties.

On the date of filing the Complaint herein, October 24, 1961, plaintiff also instituted criminal action No. 39017 in this Court on indictment of the defendants for the same alleged violations of the Sherman Act that are alleged in this civil action.

The criminal action was tried before the Honorable Fred W. Kaess, U.S. District Judge in this Court, and a jury, February 26, 1963 through March 12, 1963. At the close of the Government's case on March 13, 1963, the defendants moved the Court for judgments of acquittal, which were granted, on the ground that the Government had not by its evidence established the Sherman Act violations alleged [fol. 1302] in the indictment. The opinion and order contained the following paragraph, summarizing the reason for the granting of the motion for judgment of acquittal.

"To conclude, it has not been shown that the object of defendants' patent arrangement was to secure a greater reward than that attributable to the superiority of the products, or to achieve monopoly power."

Thereafter by stipulation of the parties herein, the record of proceedings in the said criminal action, No. 39017, was introduced in evidence in this civil action subject to all the objections appearing therein, as constituting the Government's case in chief in this action, on which the Government rests; it being further stipulated that the defendants in this action may move for dismissal of this action on that record, pursuant to the Federal Rules of Civil Procedure. The applicable rule is Rule 41 (b), providing that:

"After the plaintiff, in an action tried by the Court without a jury has completed the presentation of his evidence the defendant, without waiving his right to offer evidence in the event the motion is not granted, may move for a dismissal on the ground that upon the facts and the law the plaintiff has shown no right to relief. The Court as trier of the facts may then determine them and render judgment against the plaintiff or may decline to render any judgment until the close of all the evidence. If the Court renders judgment on the merits against the plaintiff, the Court shall make findings as provided in Rule 52 (a)."

The Pleadings

The complaint in this case (Par. 14) alleges that:

"Beginning at least as early as 1954, the exact date being to the plaintiff unknown, and continuing thereafter up to and including the date of the filing of this complaint, the defendants have engaged in a combination and conspiracy in unreasonable restraint of trade and to monopolize the aforesaid interstate trade and commerce in lockbolts in violation of Sections 1 and 2 of the Sherman Act. The unlawful combination and conspiracy is continuing and will continue unless the relief hereinafter prayed for is granted."

[fol. 1303] The Complaint further alleges (Par. 15):

> "The aforesaid combination and conspiracy has consisted of a continuing agreement, understanding and concert of action among the defendants, the substantial terms of which have been and are:
>
> "(a) to fix and maintain prices, terms and conditions for the sale of lockbolts manufactured in the United States by defendants who are the only producers of a general line of lockbolts;
>
> "(b) To limit the number of licensees permitted to manufacture lockbolts;
>
> "(c) To require the consent of the only general licensee before the patent owner is allowed to license any other firm for the production of its general line of lockbolts;
>
> "(d) To have the defendants who are the two dominant manufacturers of lockbolts cross license each other on all improvements of and substitutes for lockbolts which might in the future be developed by either defendant."

The complaint (Par. 5) defines "lockbolt" to mean a two-part metal fastening device used to permanently join together two or more pieces of metal in the manner illustrated by Appendices "A" and "B" attached to the Complaint.

The Complaint further alleges (Par. 6) that lockbolts are patented devices, are produced in various shapes and sizes depending on the use for which they are intended, and are constructed of a number of different metals including alloy steels, aluminum and titanium.

The Complaint (Par. 7-10) states that the majority of all lockbolts are designed for use in the airframe manufacturing industry, and are used to hold together the wings and body of aircraft; also in manufacture of truck trailers, house trailers, railroad cars and ships, United States naval vessels, and other industrial applications where formerly a nut and bolt or rivet or other fastener would have been used. That a lockbolt is superior to the ordinary rivet in that the lockbolt pin can be made of metal strong enough to withstand sheering action; that unlike the rivet the lock-

bolt pulls together the pieces of metal being joined and eliminates sheet-gap; that unlike a nut and bolt a lockbolt [fol. 1304] cannot be loosened by vibration or passage of time. That other devices also used to join pieces of metal have not the peculiar advantages of lockbolts; that in the aircraft manufacturing industry, once the lockbolt has been specified by the manufacturer's engineering staff, other devices cannot thereafter readily be substituted.

The Complaint further states (Par. 11) that lockbolts are manufactured and sold by defendant, Huck Manufacturing Company, under patents assigned to it. That Huck Manufacturing Company has licensed defendant Townsend Company to manufacture and sell a general line of lockbolts and has also licensed two other firms to manufacure and sell lockbolts of titanium only.

The Complaint (Par. 13) further states that lockbolts sold in the United States in recent years were valued at approximately Sixteen Million Dollars, ($16,000,00000) annually.

Defendants, answering the Complaint, deny that they have or are engaged in a combination and conspiracy in unreasonable restraint of trade and to monopolize interstate trade and commerce in lockbolts in violation of Sections 1 and 2 of the Sherman Act, deny that the alleged unlawful combination and conspiracy is continuing and will continue, and deny paragraphs 15, 16 and 17 of the Complaint, alleging respectively a continuing agreement, understanding and concerted action among defendants constituting the alleged unlawful combination and conspiracy; and deny that in formulating and effectuating the alleged unlawful combination and conspiracy they have entered into the various agreements and done various things and performed the various acts alleged in paragraph 16 of the Complaint, and deny the effects of the alleged unlawful combination and conspiracy alleged in paragraph 17 of the Complaint, and deny that plaintiffs are entitled to relief demanded by the Complaint.

[fol. 1305] Defendants, by answer, admit that lockbolts are patented devices, that they are manufactured and sold by defendant Huck Manufacturing Company under patents assigned to it, and that Huck Manufacturing Company has licensed defendant Townsend Company under such pat-

ents; that the major portion of lockbolts produced by defendants are designed to meet the standards of the airplane industry and that the same are used in the construction of aircraft; aver that lockbolts are a small proportion of fastening devices used in the construction of aircraft; admit that lockbolts are used in the manufacture and repair of truck trailers, house trailers, railroad cars and ships, including United States naval vessels, and other industrial applications; and aver that many types of fasteners other than lockbolts are likewise used; aver that lockbolts have some advantages over other devices used to join individual pieces of metal, and that other devices used to join individual pieces of metal have some advantages that lockbolts do not have; aver that the aircraft manufacturers have a choice of fastening devices to be used to fasten together the parts of any airplane under design and admit that whatever fastening devices are chosen, other fastening devices cannot thereafter be readily substituted, and aver that this holds true whether a lockbolt is to be substituted for another fastening device originally selected or whether another fastening device is to be substituted for the lockbolt originally selected.

The contention of the Government that emerges from pleadings, evidence and arguments and briefs in this case is that violations of Sections 1 and 2 of the Sherman Act have occurred by reason of alleged combination and conspiracy by and between defendants in unreasonable restraint of trade and to monopolize interstate trade and commerce in lockbolts conceded to be subject of and covered by valid and subsisting United States patents owned by defendant Huck Manufacturing Company, by reason of alleged illegality of license agreement between Huck and Townsend, in the respect that there was an understanding [fol. 1306] between defendants that Huck would not license any third parties under its lockbolt patents, except for special kinds of lockbolts subject to those patents that neither Huck nor Townsend were interested in manufacturing, in return for Townsend's agreement to follow Huck's prices, terms and conditions of sale for the patented lockbolts, for so long as Huck did not license any third parties to manufacture and sell Huck's patented lockbolts; that Huck thereby illegally restrained itself from granting

licenses to others to manufacture and sell under its lockbolt patents; and that the prices, terms and conditions of sale for the patented lockbolts were illegally fixed by the parties.

The defendants contend that the licensing arrangements between themselves are valid and legal and that their operations under the license agreement do not exceed the bounds of that conduct permitted to a patentee and licensee under valid patents as set forth in *United States* v. *General Electric Co.*, 272 U.S. 476 (1926), *Ethyl Gasoline Corp.* v. *U.S.*, 309 U.S., 436, 456; *United States* v. *E. I. duPont DeNemours & Co.*, 118 F. Supp. 41, 224, D.C.Del.; *Transparent-Wrap Machine Corporation* v. *Stokes & Smith Company*, 329 U.S. 637, 645-648; *Binks Manufacturing Co.* v. *Ransburg Electro-Coating Corp.*, 281 F. 2d 252, 259 (C.A. 7).

No jury having been demanded by any of the parties in the cause, and the defendants having duly moved under Rule 41(b) for dismissal of the action on the ground that upon the facts and the law the plaintiff has shown no right to relief, and the Court as trier of the facts having duly heard the said motion in open court, upon the evidence presented by the plaintiff and having duly considered the evidence, the arguments of counsel for the respective parties in open court with respect thereto, and the briefs presented and filed by the respective parties with respect [fol. 1307] thereto, has determined the facts and now renders judgment against the plaintiff, and hereby makes its findings of fact and its conclusions of law thereon and directs entry of the appropriate judgment thereon as provided in Rule 52 (a).

Findings of Fact

1. Huck Manufacturing Company (hereinafter referred to as "Huck") is a corporation organized and existing under the laws of the State of Michigan, with general offices and principal place of business at 2500 Bellevue Avenue, Detroit, Michigan. Huck transacts business within the Eastern District of Michigan, Southern Division.

2. Townsend Company was at the beginning of this suit a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. It is now a Division of Textron Industries, Inc., a corporation organized

and existing under the laws of the State of Delaware. The Townsend Company Division has general offices and its principal place of business in Beaver Falls, Pennsylvania. (Wherever hereinafter used, the name "Townsend" refers to Townsend Company, whatever its corporate organization at that time.) Townsend transacts business within the Eastern District of Michigan, Southern Division.

3. Huck manufactures the lockbolts in Detroit, Michigan, and sells the same throughout the State of Michigan and throughout the United States. (Complaint, Par. 3; R.142)

4. Townsend manufactures the lockbolts in plants in Santa Ana, California, and Ellwood City, Pennsylvania. Townsend sells the same throughout the State of Michigan and throughout the United States. (Complaint, Par. 3)

5. The "lockbolt" is a two-part metal fastening device used to join together permanently two or more pieces of [fol. 1308] metal. The two parts are a "lockbolt pin" and a "lockbolt collar". The "lockbolt pin" is a metal pin having an enlarged head which abuts against one of the members being joined, a grooved portion about which the lockbolt collar is swaged and a grooved pintail which is gripped, pulled and broken off as the collar is swaged. The "lockbolt collar" is a cylindrical piece of metal designed to slip over the lockbolt pin and be swaged into its grooves. (Complaint, Par. 5, Appendices "A" and "B" attached to the Complaint; Townsend Answer, Par. 5; Huck Answer, Par. 5; R. 147-152)

6. Lockbolts are patented devices used to fasten together two or more pieces of metal. They are produced in various shapes and sizes depending on the use for which they are intended, and are constructed of a number of different metals including alloy steels, aluminum and titanium. (Complaint, Par. 6)

7. Lockbolts are used in the airframe manufacturing industry in the production of military and civilian jet and propeller-driven aircraft, in the manufacture and repair of truck trailers, house trailer, railroad cars and ships, including United States naval vessels, and in other industrial applications. The major portion of lockbolts manufactured by both defendants are used in the airframe manufacturing industry. (Townsend Answer, Par. 7; Huck Answer, Par. 7; R. 172)

8. Total sales of lockbolts in the United States by Huck and Townsend in the year 1960 amounted to Five Million Nine Hundred Seventy-seven Thousand Five Hundred Ninety-three and 96/100 Dollars, ($5,977,593.96). Exhibits 80 and 103)

9. Several types of fasteners other than lockbolts are used and usable for the same purposes as lockbolts. (R. 822-24)

10. The lockbolt was invented by Louis Huck, President and then principal stockholder of Huck Manufacturing [fol. 1309] Company. Huck Manufacturing Company is the owner of United States Patents No. 2,531,048 and 2,531,049 dated November 21, 1950, covering the lockbolts. These patents are conceded to be valid, subsisting and enforceable. (Pre-Trial Order covering Pre-Trial conference of October 1, 1962)

11. The lockbolts are and since 1950 have been manufactured and sold by Huck under the above-described lockbolt patents.

12. In 1951, after defendant Huck had entered upon the manufacture and sale of its patented lockbolts, defendant Townsend copied those lockbolts and entered into the manufacture and sale thereof in competition with Huck by infringing Huck's lockbolt patents; that Huck, then refusing to grant Townsend a license under its lockbolt patents, sued Townsend for infringement thereof, obtained in 1952-1953 a decision and judgment against Townsend, holding the patents to be valid and infringed by Townsend; that Townsend then again sought license under the patents and took an appeal from the judgment against it, and ceased the manufacture and sale of the lockbolts; that during the pendency of the appeal Huck, confronted by demand of its customers for a second source of supply for said lockbolts and encountering delay in meeting delivery dates specified by its customers (R. 194, 197), reconsidered the advisability of granting Townsend's continued request for a license, and finally after negotiations with Townsend in the summer of 1954 did grant Townsend a written license under Huck lockbolt patents, dated September 14, 1954, which is Government Exhibit GX 17; and that after the grant of the license GX 17 Townsend's appeal from the judgment against it was dismissed, and the patent in-

fringement suit pending between the parties thereby terminated.

[fol. 1310] 13. In the negotations between the parties in the summer of 1954, Huck took the position that it wanted to issue no more licenses under lockbolt patents than it believed would adequately supply the demand for the patented lockbolts and alleviate the difficulties it faced, namely, the demand of customers for a second source of supply, and delay in meeting delivery dates specified by the customers (Exhibits GX 74; 104). Townsend wanted to obtain an exclusive license under the lockbolt patents except for retention by Huck of its own right under the patents to manufacture and sell the lockbolts, and thereby obtain for Townsend as much as it could of the business of manufacturing and selling the patented lockbolts. (R. 211-213, 875-877).

14. The written license GX 17 includes the Huck lockbolt patents Nos. 2,531,048 and 2,531,049 granted November 21, 1950, expiring November 21, 1967, which were held valid and infringed by Townsend in the patent infringment suit between Huck and Townsend, grants Townsend nonexclusive license to manufacture and sell lockbolts, improvements thereon and substitutes therefor of the same type covered by the licensed patents (Par. 1) for which Townsend agrees to pay Huck a royalty of five percent (5%) of the net selling price of the lockbolts manufactured and sold by Townsend and covered by the licensed patents (Par. 2), provides that Townsend grants Huck a nonexclusive royalty-free license with right to sublicense improvements on the lockbolts made or acquired by Townsend during the life of the license (Par. 8); provides that Townsend shall use its best efforts to manufacture and sell lockbolts up to at least 7/16" pin diameter (Par. 9); provides that for lockbolts sold by Townsend as Huck equals with pin diameter up to 3/8" Townsend shall maintain Huck's quality for full equivalence in shear tension and fatigue (Par. 10); provides that Townsend will identify the lockbolts manu-
[fol. 1311] factured and sold by it to distinguish them from the lockbolts manufactured and sold by Huck (Par. 11); that Huck will furnish Townsend drawings and specifications it has for the lockbolts and know-how it has for the production of the lockbolts, and that Townsend will furnish Huck with

know-how it may develop for the production of the lockbolts (Par. 17); provides that as Townsend will be required to expend considerable money to provide facilities for entering the manufacture and sale of lockbolts (Par. 12), that for the first two years the license shall be exclusive to Huck and Townsend except in case of national emergency (Par. 12a), and that Townsend during the two-year exclusive period shall maintain at least Huck's prices on lockbolts manufactured and sold by Huck according to Huck's published current price schedule as changed from time to time and computed according to Huck's published Standard Pricing Policy, and prescribed freight charge computation (Par. 12b); provides that Townsend may cancel the agreement at any time on six months' notice in writing to Huck (Par. 13); and (Par. 16) that unless previously terminated (by Huck in the event of Townsend's failure to pay royalties or breach of any material provision of the agreement (Par. 6); or by cancellation by Townsend (Par. 13), the agreement and license shall extend for the full term of the United States Letters Patent which are or may be included in the agreement.

15. The Government adduced testimony from its principal witness Looker, a former employee and officer of Huck Manufacturing Company, to the effect that there was a verbal agreement between defendants Huck and Townsend, supplemental to the written patent license agreement GX 17 of September 14, 1954, that was in substance that Huck would continue the lockbolt patent license GX 17 exclusive to Townsend, and not grant licenses under the lockbolt [fol. 1312] patents to others so long as Townsend, for the patented lockbolts it manufactured and sold, maintained Huck's established prices on the lockbolts which Huck manufactured and sold.

It is the testimony of Looker that this alleged verbal agreement was made between Armour, President of Huck, and Dickenson, President of Townsend, at a meting which occurred in the summer of 1954, during negotiations for and prior to the time the written lockbolt patent license GX 17 of September 14, 1954 was completed and signed by the parties.

Looker, after graduating from the Naval Academy and a short ferm of active service in the Navy, left the service in

September, 1947, and became employed by defendant Huck Manufacturing Company under his stepfather Louis C. Huck, who was at that time President of Huck Manufacturing Company, first serving as a clerk in the sales office, then as manager of technical publications until 1952, then as Sales Manager until May, 1954, then as Vice President in Charge of Sales until August, 1956, when he voluntarily resigned upon acquiring an interest in the Brown-Line Corporation of El Segundo, California, in association with Milton A. Miner, then West Coast Sales Representative of Huck Manufacturing Company. Looker assumed presidency of the Brown-Line Corporation which was engaged in the manufacture of devices for holding down cargo, seats, etc., in airplanes. Looker, upon leaving Huck Manufacturing Company, endeavored to obtain a license for the Brown-Line Corporation from Huck Manufacturing Company under the Huck lockbolt patents. Huck Manufacturing Company refused to grant the license, but Looker continued his endeavors to obtain such license. These efforts being unsuccessful, he initiated in the Department of Justice and pressed and followed up the action of the Department which culminated in the criminal action No. 39017 and this present [fol. 1313] civil action. Prior to the trial of the criminal action, Looker caused the institution of suit in the United States District Court for the Southern District of California by Brown-Line Corporation against the defendants Huck Manufacturing Company and Townsend Company under 15 USC 15 for treble damages on account of alleged violation of the Sheman Act.

Subsequent to the grant of the lockbolt patent license by Huck Manufacturing Company to Townsend Company, GX 17 dated September 14, 1954, and prior to his resignation from Huck in 1956, Looker, inconsistent with his present contention that Huck was prohibited from granting licenses under its lockbolt patents to others than Townsend by the alleged verbal agreement with Townsend, recognized (R. 566) that Huck Manufacturing Company was free to grant such licenses. He issued memoranda (Ex. DXY; GX 59) while employed by Huck during the period subsequent to the granting of the license GX 17 on September 14, 1954, contemplating the grant of such licenses, and also immediately upon leaving the employ of Huck and assuming the

presidency of Brown-Line Corporation in 1956 sought such license from Huck for Brown-Line Corporation.

16. The verbal agreement or understanding which the Government contends was entered into by the parties as part of the written license agreement GX 17, completed and signed by the parties as of September 14, 1954, was in purport and effect to make or continue the lockbolt patent license exclusive to Townsend, except for retention by Huck of its own right under the patents to make and sell the patented lockbolts, for so long as Townsend maintained for the lockbolts which it manufactured and sold under the license, the prices, terms and conditions of sale Huck established for the lockbolts which Huck manufactured and sold under the title and rights it retained under the same patents. The verbal agreement was no more than the [fol. 1314] exercise by Huck of its right as the patent owner of the lockbolt patents to grant or extend an exclusive license to another (in this case, Townsend) for the unexpired term of those patents and to require as a condition thereof that its licensee sell the patented lockbolts, which it could legally manufacture only under license, upon the terms and conditions of sale and prices established by Huck, and the exercise by Townsend of its right to agree to and accept such a patent license.

17. Huck, as owner of the patents and licensor, kept its customers and Townsend, its licensee under the patents, informed by published price lists of the prices, terms and conditions of sale of the patented lockbolts which Huck established and followed in the sale of lockbolts manufactured by it.

18. Townsend manufactured and sold the patented lockbolts under the license GX 17 and, except for occasional deviations, observed and followed substantially the same prices, terms and conditions of sale established and observed by Huck for the sale of the patented lockbolts which Huck manufactured.

19. There is no evidence in this case that the licensee Townsend was granted, or had, or exercised any power or authority to fix prices under Huck's lockbolt patents for Huck, the patent owner, or any other licensee under the Huck lockbolt patents to follow.

20. There have been various contacts between Huck, the

patent owner, and Townsend, its licensee, since the patent license agreement GX 17 was entered into. These contracts, as disclosed by the testimony and documentary exhibits, have been in pursuance of the provisions of the patent license agreement GX 17 that the patented lockbolts produced by the two companies be interchangeable, that required quality be maintained, and that standards respecting sizes, finishes and lubricants applied in the manufacture of the patented lockbolts be followed. Such contacts have also been by way of interchanging information to make available technical developments and improvements in the [fol. 1315] patented lockbolts, and in installation tools and equipment, and respecting joint advertising, all attributable to the purpose of encouraging and increasing the use of the patented lockbolts in the trade. The Court finds that these contracts have been in furtherance of legitimate, normal business motives permissible under the patent license, on the part of both Huck and Townsend, and have not been for the purpose of fixing prices or to enable Townsend to fix or dictate the prices charged for the patented lockbolts.

21. Huck lockbolt patents, under which Huck granted the license GX 17 to Townsend, are conceded to be valid and subsisting and to cover lockbolts which Townsend has manufactured and sold and is presently manufacturing and selling under the license GX 17.

22. Huck has granted no licenses to others than Townsend under its lockbolt patents, except for a nonexclusive license to Pheoll Manufacturing Co. dated September 26, 1956 (Government Exhibit GX 76), and a non-exclusive license to Standard Pressed Steel Co. dated October 4, 1956 (Government Exhibit GX 77), both of which were limited to the making and selling of lockbolts made of titanium which Huck and Townsend do not make, and neither of which require price maintenance.

Others than Townsend requested licenses under Huck's lockbolt patents, which Huck refused to grant. They are Brown-Line Corporation, Olympic Screw & Rivet Corporation, Illinois Tool Works; Pheoll Manufacturing Co., and Republic Steel Corporation.

These refusals by Huck Manufacturing Company are not shown to have been participated in by or known to defendant Townsend Company, or to have occurred otherwise than

by Huck, in the exercise of its own judgment and right to select or reject prospective licensees and to prefer one over [fol. 1316] others for considerations within its discretion.

There is no evidence that Huck and Townsend could not adequately handle all available trade and commerce in the patented lockbolts.

23. On November 1, 1955 Huck granted a separate license to Townsend (Government Exhibit GX 19) in which Huck grants Townsend a nonexclusive license to make and sell lockbolt stumps and lockbolt collars, and Townsend grants back to Huck a nonexclusive license under improvements thereon which Townsend may make or acquire. There are no price maintenance requirements in this license. The stumps were not licensed under the license GX 17 of September 14, 1954.

On October 22, 1958 an agreement (Government Exhibit GX 70) was entered into between Huck and Townsend in which Huck and Townsend exchange options to obtain nonexclusive licenses from each other to manufacture and sell under each other's patents tools for installing or setting, and for removal of lockbolt devices. Only nonexclusive licenses are obtainable by Townsend from Huck or by Huck from Townsend under this agreement. There are no price maintenance requirements in this agreement.

On October 22, 1958 Huck and Townsend entered into an agreement (Government Exhibit GX 71) in which provision was made for Townsend to purchase from Huck tools and equipment made by Huck for the installation and setting, or for the removal, of lockbolt devices; and for Huck to purchase from Townsend tools and equipment made by Townsend for the installation or setting, and for the removal, of lockbolt devices. There is nothing in this agreement which restricts or prevents Huck from selling its tools to anyone it chooses, and nothing in the agreement that prevents Townsend from selling its tools to anyone it chooses. There are no price maintenance requirements in this agreement.

[fol. 1317] On June 25, 1958 Huck entered into an agreement (Government Exhibit GX 72) granting to Townsend a nonexclusive license to manufacture and sell blind lockbolts, illustrated in the drawing Exhibit A attached to the agreement, according to Huck's know-how, specifications and

engineering information, and Townsend grants back to Huck a nonexclusive license under improvements thereon which Townsend may make or acquire. This license contains no price maintenance requirements.

24. The so-called cross- or grant-back licenses from Townsend to Huck respecting Townsend's improvements do not in any way restrict or restrain Townsend's use, manufacture or sale of its own improvements, or Townsend's right to grant licenses to others under those improvements. They merely grant Huck the nonexclusive right or permission to make and sell such improvements in common with Townsend or any one else Townsend may choose to license to make and sell such improvements. These grant-back clauses provide Huck with no power whatever to restrain or monopolize trade in Townsend's improvements. There is no evidence that they are used or have ever been used or are likely to be used to restrain or monopolize trade in Townsend's improvements.

There is no evidence that Townsend possesses or has in prospect any improvements or patents thereon which are or would be subject to the grant-back clauses. The grant-back clauses themselves are nonexclusive and provide no power for restraint or monopolization of Townsend improvements. They are, on the contrary, adverse to restraint or monopoly.

In GX 17, the lockbolt patent license of September 14, 1954, the grant-back complained of is Par. 8 of that agreement, which states:

> [fol. 1318] "Townsend hereby grants to Huck a nonexclusive, royalty-free license, with the right to sublicense upon any improvements on said lockbolt devices made or acquired by Townsend during the life of this agreement coming within the claims of the licensed patent, or lockbolt devices of the same type which are substitutes of the lockbolts licensed herein by Huck."

This is merely a grant-back to Huck of a nonexclusive license with right to sublicense on Townsend's improvements. Being nonexclusive, it grants Huck no monopoly upon Townsend's improvements and no power to preclude Townsend or anyone else from making, selling and using those improvements. If the improvement happened to be

one that was covered by Huck's own patents, then the only rights Huck would have with respect to it *would arise under its own patents* and not in any way under the nonexclusive grant-back provision of Par. 8. Consequently, the grant-back provision of Par. 8 grants no power to Huck over Townsend's patents on such improvements if any, and provides Huck with no power to prevent Townsend from making, selling or using those improvements or from licensing any others it chooses to do the same. Par. 12a, making the license granted by Huck to Townsend exclusive for the first two years, does not affect Par. 8, the grant-back by Townsend to Huck of a nonexclusive license on Townsend's improvements, for Par. 12a makes exclusive only the license which Huck grants to Townsend under Huck's own patents.

In GX 19, the separate license on stumps which are not included in or subject to GX 17, the grant-back provision is Par. 11, which states:

> "Townsend hereby grants to Huck a non-exclusive, royalty-free license, with right to sub-license on any improvements on said licensed products made or acquired by Townsend during the life of this agreement, coming within the claims of the licensed patent, or products of the same type which are substitutes for the licensed products licensed herein by Huck."

This grant-back provision is entirely nonexclusive, grants [fol. 1319] Huck no monopoly power whatever over Townsend's improvements nor any right to prevent the manufacture, sale or use thereof by Townsend or any others whom Townsend chooses and is free to license.

In GX 70, the tool license option agreement, the grant-back provision by Townsend to Huck is Par. 7, which states:

> "The right and license granted to Huck by Townsend under paragraph 3 above with respect to the elected license products identified by Huck under paragraph 5 above shall include a nonexclusive right to license under any United States Letters Patent and applications for Letters Patent now owned or later acquired by Townsend with respect to said elected licensed products."

This is an entirely nonexclusive grant-back; it does not provide Huck with any monopoly or monopoly power over Townsend's improvements, nor any power to prevent the manufacture, sale or use of those improvements by Townsend or any others Townsend chooses and is free to license.

In GX 71, the sales agreement respecting tools, the grant-back provision is Par. 2, which reads as follows:

> "Townsend hereby grants to Huck a non-exclusive right, during the term of this agreement, to sell the beforementioned and described products manufactured by or for Townsend, together with any parts of or replacement for said articles. Townsend agrees that it will make the aforesaid products available to Huck in common with other purchasers."

This grant-back is nonexclusive and only of a right to purchase and sell Townsend's tools in common with others. It gives Huck no monopoly power whatever over Townsend's tools, nor any power whatever to restrain or prevent Townsend's manufacture, use or sale of its tools or license any others to do. They are made available to Huck only in common with other purchasers.

In GX 72, the nonexclusive license from Huck to Townsend on blind lockbolts, the grant-back provision is Par. 11, as follows:

> "Townsend hereby grants to Huck a non-exclusive, royalty-free license, with the right to sublicense on any improvements on said licensed products made or [fol. 1320] acquired by Townsend during the life of this agreement or products of the same type which are substitutes for the licensed products licensed herein by Huck."

This grants back to Huck only a nonexclusive license respecting Townsend's improvements. It grants Huck no monopoly power whatever over Townsend's improvements and no power whatever to restrain or prevent Townsend from making, selling or using Townsend improvements, or any others Townsend chooses and is free to license.

There is no agreement that prevents or restrains

Townsend in any way from making, using or selling Townsend improvements on the lockbolts or licensing others to do the same.

There is no agreement that prevents or restrains Townsend in any way from developing and making and selling lockbolts that would be independent of and avoid Huck's lockbolt patents.

None of the separate licenses and agreements, GX 19, GX 70, GX 71 and GX 72, have any price fixing provisions or agreements whatever.

25. There is no evidence which indicates that the patent arrangement of Huck with Townsend was designed to or did secure to Huck other than a reasonable reward for the use of exclusive patent rights of which Huck was the owner by the grant to it of the lockbolt patents.

26. There is no evidence that the purchasers and users of the patented lockbolts buy or use them for any reasons other than to utilize the advantages peculiar to them, or that they are prevented or restrained from obtaining other fastening devices for like uses available and obtainable in the market at comparable prices.

27. There is evidence that there are fastening devices other than the patented lockbolts which can be and are used for the same purposes and which are regarded as competitive with the patented lockbolts (R. 822-824), but there is no *[fol. 1321]* evidence in the record to define the industry or market in which the patented lockbolts and other fastening devices available for the same purposes and uses are being sold, or to show its magnitude.

28. There is no evidence from which the impact or effect of the combination and conspiracy alleged with respect to the patented lockbolts upon the market for the patented lockbolts and the other fastening devices used and usable for the same purposes can be evaluated or determined.

29. There is no evidence that Huck and Townsend had any intention to or did conspire to restrain or monopolize, or did restrain or monopolize, trade or commerce in lockbolts beyond the limits of the lawful patent monopoly granted to Huck as owner of the lockbolt patents.

Conclusions of Law

I. The Government concedes that under the authority of the decision in *U.S.* v. *General Electric Co.*, 272 U.S.476, the patent owner who manufactures and sells the patented articles can license another to make and sell the patented articles and require the licensee, with respect to the patented devices made and sold by the licensee under the licensor's patents, to observe and follow the licensor's prices, terms and conditions of sale.

This decision holds and establishes that it is not a violation of the Sherman Act for a patentee to grant a license to make, use and vend articles under the specifications of his patent for any royalty or upon any condition the performance of which is reasonably within the reward which the patentee by the grant of the patent is entitled to secure; that if the patentee licenses the manufacture and selling of the articles he may limit the selling by limiting the method of sale and price, provided the conditions of sale are normally and reasonably adapted to secure pecuniary reward for the patentee's monopoly; that one of the valuable elements of the exclusive right of the patentee is to acquire profit by [fol. 1322] the price at which the article is sold, the higher the price the greater the profit; that when the patentee licenses another to make and vend and retains the right to continue to make and vend on his own account, the price at which his licensee will sell will necessarily affect the price at which he can sell his own patented goods; that the requirement that the licensee adopt and maintain, for the patented devices which it can make legally only under the license, the terms and conditions of sale and prices established and observed by the licensor for the patented devices made by the licensor, is normally and reasonably adapted to secure pecuniary reward for the patentee's monopoly, and does not violate the Sherman Act. This decision and authority has not been overruled.

In *Ethyl Gasoline Corp.* v. *U.S.*, 309 U.S. 436, 456, it is held and established that the patent law confers on the patentee a limited monopoly, right or power to exclude all others fro mthe manufacturing, using or selling of his invention; that the extent of that right is limited by the definition of his invention as its boundaries are marked by the specifi-

cations and claims of the patent; that he may grant licenses to make, use or vend, restricted in point of space or time, or with any other restriction on the exercise of the grant and privilege, save only that by attaching a condition to his license he may not enlarge his monopoly and thus acquire some other which the statute and the patent together do not give.

In *U.S.* v. *E. I. du pont DeNemours & Co.*, 118 Fed. Supp. 41, 224, D.C.Del., it was held and established that the owner of the patents has the right to grant an exclusive license and that such a license in no way violates the provisions of the Sherman Act, and that the patentee has the right to license, including the right to select or reject prospective licensees and to prefer one over others for considerations within its discretion. This was not in any way modified or overruled on appeal to the Supreme Court, *351 U.S. 377.*

[fol. 1323] II. The establishment or fixing of prices and terms and conditions of sale for the patented lockbolts by defendant Huck Manufacturing Company, the owner of the patents, which was followed by its licensee, defendant Townsend Company, for the lockbolts which it manufactured and sold under the license from Huck, is in all material respects the same as that established and held in the U. S. v. General Electric case referred to above, not to be a violation of the Sherman Act.

III. In the case at bar there is no violation of the Sherman Act by Huck's establishment of the prices, terms and conditions of sale for the patented lockbolts and the following thereof by the licensee Townsend, for it is established law, under the General Electric case, that it is not a violation of the Sherman Act for a licensee to follow the prices, terms and conditions of sale of the patent owner, by agreement to do so. It is established law that it is not violation of the Sherman Act for Townsend, in the exercise of its own judgment, to follow Huck's prices and terms and conditions of sale. *U.S.* v. *International Harvester Co.*, 274 U.S. 693, 71 L. Ed 1302, Sylb. 4 and Opinion p. 310, where it is held:

> "The fact that competitors in business may see proper, in the exercise of their own judgment, to follow prices of another manufacturer, does not establish any

suppression of competition, or show any sinister domination."

Theatre Enterprises v. *Paramount Distributing Corp.*, 346 U.S. 537, 98 L. Ed. 273, Opinion p. 279 and Sylb. 2, where it is stated:

> "Although parallel business behavior is admissible evidence from which the finder may infer an agreement in restraint of trade violative of the Sherman Anti-trust Act Sec. 1, such parallel behavior does not itself constitute a Sherman Act offense."

IV. The refusal by Huck Manufacturing Company to grant licenses to manufacture and sell lockbolts under its lockbolt patents to Brown-Line Corporation, Olympic Screw & Rivet Corporation, Illinois Tool Works, Pheoll [fol. 1324] Manufacturing Corporation, and Republic Steel Corporation, in the exercise of its own judgment and right to select or reject prospective licensees and to prefer one over others for considerations within its discretion, is legal and not violative of the Sherman Act as held in the decision in *U.S.* v. *E. I. du Pont DeNemours* referred to above.

V. The so-called cross- or grant-back licenses from Townsend to Huck respecting improvements of Townsend are nonexclusive and provide no power for restraint or monopolization of trade in such improvement, and on the contrary being adverse to restraint and monopoly, are not a violation of the Sherman Act.

It is established law, in *Transparent-Wrap Machine Corporation* v. *Stokes and Smith Company*, 329 U.S. 637, 645-648; 91 L. Ed. 563, 570-572, that a covenant by a licensee under a patent license agreement to assign to the licensor patents for improvements is not *per se* illegal.

Furthermore, it is noted that in the cited case as distinguished from the case at bar, the improvements of the licensee were to be assigned outright to the licensor, which would give the licensor exclusive rights therein, while in the case at bar the grant-back provisions by the licensee give the licensor only a nonexclusive permission to use the licensee's improvements in common with the licensee and

with others all of whom the licensee is free to choose and license.

See also *Binks Manufacturing Co.* v. *Ransburg Electro-Coating Corp.*, 281 Fed. (2) 252, 259 (C.A. 7), where it is held that a license-back clause requiring future inventions by the licensee pertaining to method covered by the license to be licensed to the patentee royalty-free, on a nonexclusive basis, with right to sub-license others, is not *per se* illegal where there is no widespread network of such agreements between competing companies affecting an entire industry.

[fol. 1325] VI. The Court in a non-jury case, on motion under Rule 41(b), is not required to review the evidence in the light most favorable to the Government; it is required only to determine whether the plaintiff has made out its case by a preponderance of evidence. *Island Service Co.* v. *Perez*, 308 F.2d 799 (9th Cir. 1962); *Allred* v. *Sasser*, 170 F.2d 233 (7th Cir. 1948); *United States* v. *Borden Co.*, 111 F. Supp. 562 (N.D. Ill. 953); *aff'd in part, rev'd in part*, 347 U.S. 514 (1954); *Bach* v. *Friden Calculating Machine Co., Inc.*, 148 F.2d 407 (6th Circ. 1945); *Moore's Federal Practice*, 1044-45 (2d Ed., 1951). Barron and Holtzoff, *Federal Practice and Procedure*, (2) Ed. 1961, (Vol. 2b) pp. 149-151.

Where the evidence submitted gives equal support to each of two inconsistent inferences, neither is established, and judgment, as a matter of law, must go against the party upon whom rests the necessity of sustaining one of the inferences as against the other. *Penna.R.R.Co.* v. *Chamberlain*, 228 U.S. 333, 339-340, 79 L. Ed. 819, 823.

VII. I conclude upon the evidence submitted that the case at bar is in all material respects the same as and ruled by the decision in *U.S.* v. *General Electric Co.*, 272 U.S. 476, 489, and that it is distinguished in substantially the same respects as the General Electric case from the decisions in *U.S.* v. *Masonite Corp., et al*, 316 U.S. 265; *U.S.* v. *Univis Lens Company*, 316 U.S. 241; *U.S.* v. *Line Material Company, et al*, 333 U.S. 287; *U.S.* v. *United States Gypsum Co., et al*, 336 U.S. 364; *U.S.* v. *New Wrinkle, Inc., et al*, 342 U.S. 371; *Newburgh Moire Co.* v. *Superior Moire Co.*, 237 Fed. (2d) 283-284; *U.S.* v. *Besser Mfg. Co.*, 96 Fed. Supp. 304, 310-311; *U.S.* v. *Krasnov, et al*, 143 Fed. Supp. 184; *U.S.* v.

General Electric Co., 80 Fed.Supp. 989—which the Government urges as controlling.

[fol. 1326] In the case at bar the Court finds no industry-wide price-fixing licensing, no agreement or conspiracy between a plurality of licensees preventing grant of other licenses by the patent owner, no granting of a plurality of price-fixing licenses to a plurality of competing licensees, no cross licensing by one patent owner creating by contract in another the power to issue licenses and fix prices under patents which are not owned by the licensor, no pooling of independently owned competing patents with price-fixing licenses under the pooled competing patents, no arrangements for control of resale prices of patented devices, and no agreements for fixing prices on unpatented articles—some or all of which practices were found to be controlling aspects of the situations in the cases above mentioned on which the Government relies.

VIII. The Court concludes upon the evidence submitted by the plaintiff, and the law applicable thereto, that the plaintiff has not shown by preponderance of evidence that the defendants have or are engaged in a combination and and conspiracy in unreasonable restraint of trade and to monopolize interstate trade and commerce in lockbolts in violation of Sections 1 and 2 of the Sherman Act, and has not shown any right to relief as prayed.

IX. The Court concludes that the plaintiff has failed to prove a violation of Sections 1 and 2 of the Sherman Act for the additional reason that it failed to show that the patent arrangements between Huck and Townsend were designed to or did secure a reward beyond that to which Huck as the patent owner was legally entitled.

It Is Therefore Ordered that judgment be entered herein against the plaintiff dismissing this action and the Complaint filed herein.

Dated at Detroit, Michigan this 27th day of February, 1964

Thaddeus M. Machrowicz, U.S. District Judge

[fol. 1327] Proof Of Service (omitted in printing.)

[fol. 1328] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN

SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

v.

HUCK MANUFACTURING COMPANY AND TOWNSEND COMPANY, Defendants.

NOTICE OF APPEAL TO THE SUPREME COURT OF THE UNITED STATES—Filed April 27, 1964

I. Notice is hereby given that the plaintiff, the United States of America, hereby appeals to the Supreme Court of the United States from the judgment entered on February 28, 1964, dismissing this action.

This appeal is taken pursuant to 15 U.S.C. 29.

II. The Clerk will please prepare a transcript of the record for transmission to the Clerk of the Supreme Court of the United States, and include therein the entire record before the district court, including all papers filed with the Clerk of the court in this proceeding and this Notice of Appeal.

III. The Questions Presented:

1. Whether the decision in *United States* v. *General Electric Co.*, 272 U.S. 476, insofar as it holds that an agreement between a patent owner and its licensee that the licensee will sell the patented product only at prices established by the patentee does not violate Section 1 of the Sherman Act, should be overruled.

2. Whether, in any event, an agreement by which a patentee undertakes not to grant any other unrestricted li-

censes upon condition that its sole licensee would follow the patentee's prices, violates Section 1 of the Sherman Act.

Arthur J. Murphy, Jr., Attorney, Department of Justice, Washington, D. C. 20530. Lawrence Gubow, United States Attorney.

[fol. 1329] Proof of Service (omitted in printing.)

[fol. 1330] [File endorsement omitted.]

[fol. 1331] In the United States District Court, Eastern District of Michigan, Southern Division

Civil Action No. 21791

[Title omitted]

Motion of Defendants to Supplement the Record—Filed May 27, 1964

The Defendants, Huck Manufacturing Company and Townsend Company, by their respective attorneys, now move this Honorable Court to enter as Orders of this Court constituting part of the Record in the above entitled action two Pretrial Orders, in the forms attached hereto and captioned respectively "Pre-Trial Order" and "Second Pre-Trial Order," for the reason that the entry of these Orders to supplement the Record in this Court is necessary in order that the Record of proceedings truly disclose what occurred in this Court. A true, accurate and complete representation of what transpired is necessary because of the appeal to the Supreme Court of the United States heretofore filed on behalf of the United States of America.

The "Pre-Trial Order" attached hereto is identical to the "Pre-Trial Order" forwarded by the Court to counsel for the respective parties on or about January 15, 1963, except for those portions in the attached "Pre-Trial Order" which are underlined. The portions underlined are sug-

gested by the Defendants as necessary insertions in said "Pre-Trial Order" in order completely and accurately to describe the position of the Government at the pretrial stage and during the trial itself as to the validity of the decision in *United States* vs. *General Electric,* 272 U.S. 476 (1926) and its applicability to this action.

[fol. 1332] At the pre-trial hearing on October 1, 1962, the Government was asked directly by the attorneys for the Defendants whether or not the Government intended in this case to attempt to overrule *United States* vs. *General Electric, supra.* The Government stated that it would restudy the facts and advise Defendants of its position as to the applicability of the *General Electric* decision to this case. Subsequently, at a pre-trial hearing on October 15, 1962, the Government reported on the applicability of the *General Electric* case. It stated that it was not attempting to have the doctrine set in the *General Electric* case overruled in this case. It stated its position as being that the facts in this case do not fall within that doctrine and that the doctrine is still good law but does not apply, since acts in this case are illegal without application of the doctrine. The Government agreed to write a letter pointing out how the Government felt the facts in this case differed from the facts of *United States* vs. *General Electric, Supra,* which was done in a letter of October 30, 1962, addressed to the Honorable Thaddeus M. Machrowicz and distributed to the attorneys for Defendants in this case.

The "Second Pre-Trial Order" attached hereto is identical to the "Second Pre-Trial Order" forwarded by the Court to counsel for the respective parties in January, 1963. No supplements or changes appear to be necessary in order that this "Second Pre-Trial Order" completely and accurately disclose what occurred in this Court.

John C. Sterritt, Harness, Dickey & Pierce; Albert M. Stern, Stern & Rossier, per John C. Sterritt, Attorneys for Huck Manufacturing Company, Defendant. T. W. Pomeroy, Jr., W. Walter Braham Jr., Kirkpatrick, Pomeroy, Lockhart & Johnson, Attorneys for Townsend Company, Defendant.

[fol. 1333] UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY, INC., AND TOWNSEND CO., Defendants.

PRE-TRIAL ORDER

At a session of said Court held in the Federal Building, in the City of Detroit, Michigan, on the _____ day of _____, 196

Present: Honorable Thaddeus M. Machrowicz, U.S. District Judge

Pursuant to notice a pre-trial hearing was held in the above matter on October 1, 1962, and continued on October 15, 1962. Parties to this action were represented at the hearing by the following counsel:

The Government—by Charles R. Esherick and Jack Louis Lipson, Department of Justice, Anti-Trust Division, Washington, D. C.

Defendant Huck Manufacturing Co., Inc.—by Arthur W. Dickey, John C. Sterritt, and Albert M. Stern; and

Defendant Townsend Co.—by Thomas W. Pomeroy, Jr., Samuel K. McCune, W. Walter Braham, Jr., and W. Gerald Warren.

A motion to admit defendants' out-of-state counsel to practice in this Court, for the purposes of this case only, was made and granted.

The complaint filed in this case charges defendants with a conspiracy to violate the Sherman Anti-Trust Act. Defendants deny the existence of any conspiracy and deny violation of the Act in any respect.

No amendments to pleadings are contemplated by either side.

A criminal prosecution, based on charges which gave rise to the instant case, is presently pending before another

Judge of this Court, but not all counsel who appear in this [fol. 1334] case are involved in the criminal proceeding. Documents which will be introduced in evidence in the criminal case will also be used as exhibits in the present suit. A list of such documents will be furnished by the Government to defendants.

Although it is expected that proof in the civil and criminal cases will be similar, the Government is not obligated and does not intend to limit its proof in this case to the same evidence that it intends to produce in connection with the criminal litigation. Evidence in addition to that introduced in the criminal case may be introduced in this case and not all evidence expected to be introduced in the criminal case need be introduced in this case.

Discovery will be extensive unless information counsel expect to elicit upon discovery is voluntarily submitted. To this end, questions which defense counsel intended to include in proposed interrogatories were discussed and information was voluntarily offered by Government counsel in answer to some of the questions. As to the remaining questions defense counsel were advised to proceed by filing interrogatories or by motion.

The only facts defendants concede at this time are those admitted in pleadings on file.

Government counsel advised opposing counsel that they will submit proof in support of charging allegations contained in paragraphs 14, 15 and 16 of the complaint but will offer no independent proof as to allegations of paragraph 17, although proof on the charging allegations may also incidentally refer to allegations of paragraph 17 as to alleged effects of the conspiracy charged. It is the Government's position that proof of the conspiracy establishes the natural effects of the conspiracy and that it is not incumbent upon the Government to present independent proof as to effects of the conspiracy in an action of this type.

Defendants requested from the Government a list of its proposed witnesses at the trial with identification of the allegations in the complaint as to which each witness will [fol. 1335] testify. Government counsel agreed to furnish the list of proposed witnesses, without being limited to such witnesses only and without being bound to call each witness

on the list; they objected to giving the gist of the testimony of each proposed witness.

As a result of the discussions between counsel, and in response to direct questions at the pre-trial hearing, Government counsel offered the following information to defense counsel to aid them in preparation for trial:

1. The Government makes no claim of invalidity of patents to which reference is made in paragraphs 14, 15 and 16 of the complaint;
2. The Government will rely upon the written agreements mentioned in the complaint as the licensing agreements which formed a part of the alleged conspiracy;
3. Validity of the written agreements themselves will be challenged insofar as they form a part of an alleged over-all agreement constituting a conspiracy to violate the Act, it being the claim of the Government that the written agreements are tainted by the illegality of the over-all agreement;
4. The Government relies not only upon the alleged oral agreement reached at a secret meeting mentioned in the complaint, but upon oral instructions given on other occasions in modification, alteration, extension, etc., of the original oral agreement;
5. Only one conspiracy is charged by the Government. The Government will rely upon the agreement described in paragraph 16-b of the complaint, as the basic agreement, but it may also introduce independent evidence of meetings of defendants' officers to establish existence of the alleged conspiracy;
6. Counsel for the Government were not ready to state whether they will rely solely upon the alleged agreement to fix prices and to limit licensing, but after a re-study of the facts they will advise defendants whether additional claims will be made in support of allegations as to existence of a conspiracy;

[fol. 1336] 7. The Government is proceeding on the same theory of law in this case as it has advanced in the criminal case, which has been discussed in briefs submitted in the criminal case. On October 1 the Government stated that after a re-study of the facts it will advise defendants of its position as to

applicability of the General Electric case decision, if any, to this case. On October 15, reporting on the applicability of the General Electric case, the Government stated that it is not attempting to have the doctrine set in the General Electric case overruled and stated only that facts in this case do not fall within that doctrine; that the doctrine is still good law but does not apply as the actions in this case are illegal without application of the doctrine; and that it will write a letter by December 29 describing in what way the facts of this case differ from the facts of the General Electric case. A copy of the letter to the Court, dated October 30, 1962, from the Assistant Attorney General of the United States, Antitrust Division of the Department of Justice is attached hereto and made a part hereof.

8. The Government's prayer for relief will be stated in more specific terms after narrowing of the issues involved, in advance of trial.
9. Counsel agreed to confer immediately upon conclusion of a pre-trial hearing in the criminal case scheduled for October 15, 1962, with reference to matters discussed at this hearing and particularly as to information to be submitted by the Government as covered by sub-sections 3, 6 and 7 of this pre-trial order.

Government counsel agreed to submit to defendants, by not later than December 15, 1962, a list of firms which were regarded as qualified manufacturers of lockbolts and lockbolt parts, as well as a list of patents (identifying them by number) which the Government claims had their authorized monopolies extended beyond the scope permitted by law.

Since the pre-trial hearing counsel reported that the criminal trial has been set for February 19, 1963. It was agreed that all discovery proceedings shall be suspended for a period of two (2) weeks in advance of the criminal trial and during the progress of the trial.

Government counsel also advised the Court and opposing counsel of its position that facts in the instant case do not fall within the category of cases to which the doctrine

expressed in the General Electric decision applies, and that the acts complained of in suit are illegal without application of that doctrine.

[fol. 1337] On the basis of the pre-trial discussions, agreements reached between counsel, and directives of the Court,

It Is Ordered:

1. Thomas W. Pomeroy, Jr., Samuel K. McCune, and W. Walter Braham, Jr., all of Pittsburgh, Pennsylvania, are admitted to practice in this Court, for purposes of this case only.
2. Plaintiff shall submit to the Court and to the defendants, before the date of the adjourned pre-trial hearing, a list of documents which it proposes to submit in evidence at the trial.
3. Counsel shall report to the Court at the adjourned pre-trial hearing on the progress made toward completion of discovery.
4. The pre-trial hearing is continued to December 21, 1962 at 3:00 P.M.

Thaddeus M. Machrowicz, U.S. District Judge.

[fol. 1338] JCS, AWD.

LL:LB:CRE
60-126-47

October 30, 1962

Honorable Thaddeus M. Machrowicz,
United States District Judge,
United States District Court for
the Eastern District of Michigan,
Federal Building,
Detroit 26, Michigan.

Re: United States v. Huck Manufacturing Company, Inc. and Townsend Company—Civil Action No. 21791

Dear Judge Machrowicz:

In the course of the pretrial conference held in your chambers on October 15, 1962 in the above-captioned case, counsel for defendant Townsend Company requested that the Government provide a statement describing in what

way the facts of this case differ from the facts of *United States* v. *General Electric,* 272 U.S. 476 (1926).

In *United States* v. *General Electric* the relevant issue dealt only with the question of the validity under the Sherman Act of the price-fixing clause in a patent license agreement between a patentee and its licensee. The narrow decision in that case was that under those circumstances the price-fixing clause was legal. In the Supreme Court's more recent interpretation of that rule in *United States* v. *Line Material Company,* 333 U.S. 287 (1947), the limited nature of that *General Electric* ruling was emphasized and as the Supreme Court said:

> On the assumption *where a conspiracy to restrain trade or an effort to monopolize is not involved,* a patentee may license another to make and vend the patented device with the provision that the licensee's sale price shall be fixed by the patentee. (304) [Emphasis supplied]

Applying this rule to the facts of the *Line Material* case the Supreme Court proceeded to strike down an arrangement by which two patentees had cross-licensed each other [fol. 1339] and which arrangement also authorized one to fix prices under both patents. The Court characterized such an agreement as establishing an "intention to restrain." (312)

> Even where the agreements to fix prices are limited to a small number of patentees we are of the opinion that it crosses barriers erected by the Sherman Act against the restraint of trade though restraint is by patentee and their licensees. (*Ibid.*)

Since the date of the *Line Material* decision it has been held that mere price fixing, even when not coupled with any other restraints of trade, is nevertheless unlawful when incorporated in a series of patent licenses with substantially all manufacturers in an industry, *United States* v. *New Wrinkle, Inc.,* 342 U.S. 371 (1952), and even when incorporated in patent licenses with a mere plurality of firms in an industry, *Newburgh Moire Co.* v. *Superior Moire Co.,* 237 F. 2d 283-84, (3rd Cir. 1956).

The acts of defendants in this action fall within the prohibited area outlined in the foregoing cases. The complaint in this case charges defendants with having gone beyond a mere price-fixing arrangement. It charges that they have combined price fixing with a secret understanding not to license others and with further agreements to cross-license and grant back all future developments in the lockbolt field as part of a conspiracy to restrain trade and monopolize.

Moreover, on June 29, 1962, Honorable Fred W. Kaess, United States District Judge in this court in a companion criminal action to this captioned case (*United States* v. *Huck Manufacturing Company et al.*, Criminal No. 39017), ruled that the facts asserted in the indictment in that case —which are substantially identical to the facts asserted in the civil complaint in this case—fell outside the *General Electric* doctrine. Specifically, Judge Kaess stated:

> . . . [T]he defendants move to dismiss the indictment for not stating facts sufficient to constitute an offense against the United States. They rely chiefly upon the leading case of *United States* v. *General Electric Co.*, 272 U.S. 476. There, indeed, a price restriction was upheld, but it must be recognized that not all price-restrictive licenses are valid. *United States* v. *Line Material Co.*, 333 U.S. 287; *United States* v. *United States Gypsum Co.*, 333 U.S. 364. Necessarily, the courts will look beyond the price restriction itself and consider the circumstances surrounding the exploitation of the patent. Experience counsels such an ap-[fol. 1340] proach, for an agreement innocent when considered separately may be part of a plan condemned by the Sherman Act. Thus, the holder of a patent may not do as he pleases with the power granted him under the Patent Act, 35 USC § 154, but is subject in its exercise to the principles of the Sherman Act. Cf. *American Tobacco Co.* v. *United States*, 147 F. 2d 93, aff'd. 328 U.S. 781. See Furth, Price-Restrictive Patent Licenses Under the Sherman Act, 71 Harv. L. Rev. 815.

Accordingly, we submit that the facts of this case fall outside the facts and law of *United States* v. *General Eelctric,* supra.

Sincerely yours, Lee Loevinger, Assistant Attorney General, Antitrust Division. By: Charles R. Esherick, Attorney, Department of Justice.

cc: Thomas W. Pomeroy, Jr., Esquire, 1130 Oliver Building, Pittsburgh 22, Pennsylvania. Arthur W. Dickey, Esquire, 7-141 General Motors Building, Detroit 2, Michigan.

[fol. 1341] UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY, AND TOWNSEND COMPANY, Defendants.

SECOND PRE-TRIAL ORDER

At a session of said Court, held in the City of Detroit, Michigan, in the Federal Building, on the —— day of ————, 196—

Present: Honorable Thaddeus M. Machrowicz, U.S. District Judge

At an adjourned pre-trial hearing held in this matter on December 21, 1962, the parties were represented by counsel of record.

Pursuant to agreement reached at the first pre-trial hearing the Government filed a statement which includes a list of patent numbers relevant to this suit, a selected list of manufacturers of lockbolts and lockbolt parts it deems qualified, and a list of its proposed witnesses.

The Government was requested by defendants to identify

which of the manufacturers on the list were allegedly refused licenses and it agreed to make such identification, giving dates on which application for a license was made in each instance, if available.

A proposed list of defendants' witnesses was requested by the Government and defendants were directed by the Court to furnish such a list within the time limited therefor. Defendants will not be limited thereby and may call additional witnesses or refrain from calling any of the witnesses named on the list, if circumstances warrant it at the time of trial.

[fol. 1342] With reference to the list of allegedly qualified manufacturers the Government asked for defendants' comments respecting qualification of such manufacturers; defendants agreed to do so within two (2) weeks from the date of the hearing and a statement to that effect is now on file.

Actual copies of documents included in proposed exhibits of the Government were furnished to defendants and a request was made at this hearing for admissions as to genuineness of such documents. Defendants were directed to admit or deny genuineness of each of such documents or to indicate lack of knowledge if genuineness was not admitted or denied. Since the pre-trial hearing defendants submitted lists of documents which each defendant admits are genuine.

The terms "substitutes for lockbolts" and "related products" are given in paragraphs 15-d and 16-c of the complaint. Defendants asked for information as to products, if any, the Government contends are included within those terms. Government counsel indicated that the paragraphs referred only to an agreement, not to a particular product, and if such terms were included in any alleged agreement it is not necessary to go beyond proof of such agreement. It was agreed, however, that if any particular products can be identified, the Government will advise defendants in advance of trial.

Paragraph 5 of the complaint defines the term "lockbolt". Defendants asked the Government to state whether the definition was intended to cover anything beyond the description in the patent and whether the Government has reference to the type of lockbolt illustrated in the appendix to the complaint except for differences in size, shape,

material, etc. Government counsel agreed to review the file and to advise defendants whether the definition will be limited to the definition to the patents disclosed, whether reference will be made to additional patents, and whether the definition of lockbolts in the complaint will be amended. [fol. 1343] The complaint charges that authorized monopolies of patents were extended beyond the scope permitted by law. Asked for a clarification of the scope, the Government stated its claim to be that the scope was extended beyond that permitted by law by the general conspiracy as alleged in the complaint.

At the first pre-trial hearing Government counsel advised that they will rely upon the written agreements mentioned in the complaint as the licensing agreements which formed a part of the alleged conspiracy. In view of alleged oral agreements reached at a secret meeting and subsequent oral alterations, amendments, extensions, etc. of such agreements on "other occasions", defendants asked, in the event the Government intends to rely upon agreements other than those identified in the complaint as the licensing agreements forming a part of the alleged conspiracy, either oral or written, that it identify each and every such licensing agreement, giving dates, names of persons participating, place, and substance of the meeting or discussions on each of these occasions. The Government agreed to furnish dates, names of participants, and places at which such alleged agreements or modifications thereof were reached, and, to the extent it can do so, will give the substance of the meetings or discussions.

It is Therefore Ordered:

1. The Government shall furnish to defendants by February 10, 1963 a list of manufacturers of lockbolts and lockbolt parts who were allegedly refused licenses by defendants and approximate dates on which applications for licenses were made.
2. Defendants shall submit to the Government by January 20, 1963, a list of its proposed witnesses but shall not be limited to such witnesses if circumstances at the time of trial warrant production of additional witnesses or non-production of witnesses named on the list.

[fol. 1344] 3. All other information which either side agreed, either at the first or second pre-trial hearing, to furnish to the other side, shall be submitted by February 10, 1963, unless reasons for non-production are given to the Court prior to that date. As to any additional requests upon which the parties cannot agree, they shall proceed in accordance with the rules.

Thaddeus M. Machrowicz, U.S. District Judge.

[fol. 1345] CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of May, 1964, I deposited in the United States mails, postage prepaid, addressed to plaintiff's attorneys Messrs. Charles R. Esherick, Jack L. Lipson, and Arthur J. Murphy, Jr. Room 3123 Antitrust Division, United States Department of Justice, Washington D. C., Messrs. Lawrence Gubow and Robert Ritzenheim, 869 Federal Building, Detroit, Michigan 48226, true copies of defendants' foregoing Motion of Defendants to Supplement the Record of the Above Entitled Action by the Entry of Pre-Trial Orders and the Notice of Motion for Hearing.

John C. Sterritt, Harness, Dickey & Pierce, Attorney for Defendant, Huck Manufacturing Company.

[fol. 1346] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOT THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

[Title omitted]

ORDER EXTENDING TIME—June 15, 1964.

Upon motion of plaintiff-appellant United States of America, defendants-appellees consenting thereto, it is hereby ordered that the time for the appellant to docket this case on appeal and to file a jurisdictional statement in the Supreme Court of the United States shall be extended for a period of 31 days, i.e., until July 27, 1964.

Thaddeus M. Machrowicz, United States District Judge.

Dated: June 15, 1964.

[fol. 1347] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

v.

HUCK MANUFACTURING COMPANY, INC., AND TOWNSEND CO., Defendants.

Transcript of proceedings upon Defendants' Motion to supplement record—Honorable Thaddeus M. Machrowicz, District Judge, at Detroit, Michigan—June 22, 1964.

APPEARANCES:

Mr. Jack L. Lipson, Attorney, Department of Justice, Antitrust Division, Washington, D. C.; Appearing on behalf of the Plaintiff.

Messrs. Harness, Dickey & Pierce. By Mr. John A. Blair and Mr. John C. Sterritt and Messrs. Stern and Rossier. By Mr. Albert M. Stern, Appearing on behalf of Defendant Huck Mfg. Co.

Messrs. Kirkpatrick, Pomeroy, Lockhard & Johnson, 1130 Oliver Building, Pittsburgh, Pa. 15222. By Mr. Thomas W. Pomeroy, Jr. and Mr. W. Walter Braham, Jr., Appearing on behalf of Defendant Townsend Co.

[fol. 1348] 10:00 o'clock A.M.

The Clerk of the Court: United States of America vs. Huck Manufacturing Company, Inc., and Townsend Company.

The Court: All parties ready?

Mr. Stern: Yes.

The Court: All right, I will hear from the proponents of the motion.

Mr. Stern: If it please the Court, we have handed to counsel——

The Court: I would suggest that you get as close to the

microphone as possible. We are getting quite a bit of interference from the outside.

STATEMENT ON BEHALF OF DEFENDANT, HUCK AND COLLOQUY

Mr. Stern: I will do the best I can.

May I say to the Court, I have before me a proposed order, as well as a short memorandum brief in support of the motion, and I would like the permission of the Court to pass those up to the Court for the Court's assistance in this matter. Along with that are the two photocopies of the proposed orders that we are asking the Court to sign, other than the order we are asking the Court to sign granting this motion.

[fol. 1349]

May it please the Court, as extremely briefly as I can put it, the record, as this Court will well appreciate, is being prepared by the appellants to the United States Supreme Court. It has been noted that a proposed pre-trial order was never formally entered and we have proposed that it be entered along with a supplement thereto. The supplement only differs from the original in that it includes an item that we believe appropriately should be included, and that is the item indicating the position of the Government, which we state to be that they do not intend to ask for an overruling of the General Electric case.

I am prepared to go on at some length, or particularly to answer any questions of the Court. But, for the moment, I believe the issue is narrow.

The Court: The supplement is the letter itself to the Court?

Mr. Stern: No, that is offered in support of the order itself.

The Court: Where is the supplement?

Mr. Stern: The Court has the original of the proposed original order, and the supplement order is attached to the original motion which the Court likewise has.

[fol. 1350]

When I say "the Court has," I mean it has been made available in the file.

Mr. Braham: May it please the Court, it is in paragraph seven in the original order, on page four of the First Pre-Trial Order, which the Court has attached to the motion. It is the portion which is underlined in paragraph seven.

The Court: That is in the proposed pre-trial order attached to the motion?

Mr. Stern: Yes, your Honor.

The Court: Those are unnumbered paragraphs.

Mr. Braham: May it please the Court, on page three there are some numbered paragraphs, and on page four is paragraph seven of the supplement underlined.

The Court: All right, I will hear from the Government as to its position on it.

Mr. Lipson: Your Honor, may I ask, before we begin, whether Mr. Stern has spoken for both defendants? I understand that both defendants have joined on the motion.

The Court: I presume that is correct.

Mr. Stern: I say I speak for Huck, but counsel for Townsend I am assured join in that.

Mr. Braham: May it please the Court, we are willing to abide by that.

[fol. 1351] The Court: Are you joining in the motion?

Mr. Braham: Yes, it is a joint motion and the brief is jointly submitted also, and we join in the oral argument which Mr. Stern has presented. We may hear from the Government. There may be nothing with which we quarrel with the Government on.

STATEMENT ON BEHALF OF PLAINTIFF AND COLLOQUY

Mr. Lipson: May it please the Court, my name is Jack Lipson and I am from the Department of Justice at Washington, and I have had the honor of appearing before you earlier in this case.

I would like to make it clear that the Government opposes the motion of both defendants.

As we understand the motion, they seek two things:

One, to incorporate into the trial record of this case the pre-trial orders and letter from Government counsel to yourself, copies of which were made available to defendants' counsel at the time. This material is not presently in the record.

The second part of their motion, as we understand it, would add material to one of those pre-trial orders which was not present at any time in those pre-trial orders, was not the subject of your Honor's order——

The Court (Interposing) That is paragraph seven on [fol. 1352] page four?

Mr. Lipson: That is correct, your Honor, on page four of the Proposed motion that the defendants have served.

The Court: The "proposed order," you mean?

Mr. Lipson: That is right, your Honor, proposed order.

If I may review the facts slightly, on October 15, 1962, there was a pre-trial conference before your Honor in your Honor's chambers in this matter and at that time the subject was discussed as to the relationship of the General Electric decision to the facts of the Huck case. I believe Mr. McCune, counsel for the defendant Townsend Company, asked what the Government's position was with respect to it and we made some response, and the response made at that pre-trial conference is incorporated at this time in the actual pre-trial order that has been entered by your Honor to this case.

The Court: What is that?

Mr. Lipson: By the way, your Honor, the orders were actually entered January 15th, I believe is the date, of 1963. The specific paragraph I am referring to is on the next to the last page, page four of the First Pre-Trial Order, beginning at line 25. It states:

> [fol. 1353] "Government counsel also advised the Court and opposing counsel of its position that facts in the instant case do not fall within the category of cases to which the doctrine expressed in the General Electric decision applies, and that the acts complained of in suit are illegal without application of that doctrine."

I have examined both pre-trial orders in this case, your Honor, and I have also examined the other papers in this case and, except for the letter which I will refer to, I believe that states entirely all concessions or discussions with respect to the General Electric decision in this case.

I maintain that the material that the defendants seek to introduce in the earlier paragraph of this same pre-trial order were not, in fact, agreed upon by the Government as its position. They purport to state the Government's position. We maintain that the Government's position is adequately stated and completely stated in the paragraph I have read to your Honor.

I would also like to point out to your Honor that the pre-trial orders in this case were not drafted by counsel for the Government or by counsel for the defendants. They [fol. 1354] were drafted by your Honor or your Honor's office, as I believe they would have been done from minutes which your Honor's own clerk took at these pre-trial conferences; therefore, the pre-trial orders, as they presently stand, lack any bias of counsel, one way or the other, and appear to be objective statements of what the Government's position was at all times, with respect to the General Electric doctrine.

At that same pre-trial conference, in the paragraph numbered seven, on that same page, the Government stated, "After a re-study of the facts it will advise defendants of its position as to applicability of the General Electric case decision, if any, to this case."

That is the basis upon which the subsequent letter was written, and that letter was the letter of October 30, 1962, to your Honor, copies of which were contemporaneously made available to both defendants, Huck and Townsend.

Your Honor, I would like to review for a moment something quite important, and that was the manner in which these pre-trial orders were finally signed.

If you will recall, the date of the conference was October 15th, and the pre-trial orders were not signed until January 15th, of the next year. During the interim, your [fol. 1355] Honor circulated draft pre-trial orders among all counsel. At that time all of the drafts were in circulation and while in circulation, I believe counsel for the Government, and I know counsel for both defendants made corrections and additions to the pre-trial orders as they were then in draft form.

I refer specifically to the December 28 letters from Defendant Huck Manufacturing Company and Defendant Townsend Company—I am sorry if I said "letters," your Honor; I believe they were documents which they filed with this Court. But never in any of these corrections that the defendants or the Government proposed was there any change even suggested, as far as I can tell, to this material dealing with the General Electric decision. Counsel was quite satisfied that the material I have just recited to your Honor completely and correctly stated the Government's position, as it was brought out in pre-trial conference.

Now, about a year and a half after the pre-trial conference, when the memory perhaps is not as clear, this amendment is sought to be inserted:

I think a review of the way the pre-trial orders were formulated, the objectivity on the face of them, and the fact that defendants had timely opportunity to make corrections, and they thought that perhaps none were neces-
[fol. 1356] sary, that the conclusion is obvious that the pre-trial orders as they presently stand, correctly state what they purport to state. That is the Government's position and was at the pre-trial conferences.

I would also like to point out to your Honor that the material which the defendants seek to insert in the paragraph numbered seven of the pre-trial order, does not accurately state the Government's position with respect to the General Electric case.

The Court: In what respect?

Mr. Lipson: The Government's position with respect to the General Electric case in this Court——

The Court (Interposing) Can you state exactly what the Government's position is or was?

Mr. Lipson: Yes, your Honor.

The Court: That would probably help.

Mr. Lipson: I think it is essentially as I have read from that portion of your Honor's pre-trial order.

The Court: Namely, the facts here——

Mr. Lipson: (Interposing) That the facts are outside of General Electric, and whether or not we will attack the General Electric decision, even if we could do so in this District Court, is a question we don't reach. It is not a relevant question for your Honor's consideration.

[fol. 1357] Now, as the case has been noted on appeal to the Supreme Court——

The Court: (Interposing) Your position, essentially, is that the facts in this case differ from those in General Electric and that the General Electric case therefore does not apply?

Mr. Lipson: That is the way we tried this case, and I believe that the brief that the Government submitted in this case supports that statement of what the Government's position is in this case.

I would also like to point out to your Honor that the Government has the right to state its own position in these

matters, since the amended material seeks to state what the Government's position is.

If the defendants had made a timely objection, then the pre-trial order was not complete as it stands now. that is while it was being circulated in draft form, and any time before trial, the Government would have then, under your Honor's procedure, would have had an opportunity to restate its position so that any misunderstandings could have been cleared up completely. But under this procedure, the change is a unilateral change and the Government is stuck with a position that the defendants were—this is not the [fol. 1358] Government's position, that the defendants are stating, even though it purports to be such, and the Government should at least be given its chance to effectively state what its position in this matter is.

I think for that reason the Government would be definitely prejudiced, whereas the defendants would not be, if the amended version of this pre-trial order is incorporated into this trial record.

The Court: Has the last pre-trial order actually been entered? I understand that it has not.

Mr. Lipson: I believe it has on January 13th.

The Court: I understand it has not been entered.

Miss Stack: No, it has not.

The Court: I believe not.

As I understand now, it has not been entered.

Mr. Lipson: Well, your Honor, I have a letter in my file that I am referring to now, dated January 15th, in the United States Attorney's office in this building, to us in Washington, stating:

> "We are enclosing herewith two copies of orders entered by the Honorable Thaddeus M. Machrowicz in the above-entitled matter, and copies of the order are attached hereto."

[fol. 1359] The Court: Well, my information handed to me here indicates that the orders were never actually entered because there never actually was an approval from all of the parties for the entry of the order in the form in which it was finally submitted.

Now, have any of you examined the file?

Has counsel for the plaintiff examined the file?

Mr. Lipson: I had relied on the letters sent to me. I just recited to your Honor the letter that the orders were, in fact, entered.

The Court: I thought probably you were under the impression that it had been entered.

Have you checked the file?

Mr. Stern: I have not, personally. I have relied upon my information.

The Court: Miss Stack, you have checked the file and it has not been entered?

Miss Stack: (Shakes head in the negative.)

The Court: That is the first situation we have got to consider we are faced with.

There is no order entered, and the reason for it, I find from the notes handed to me, was that there has never been a final approval by all parties of the form in which it [fol. 1360] was submitted.

Now, in view of that, let me ask you first. You haven't any objection to a pre-trial order being entered at this date? The contents of it may be discussed later, and I would probably assist in the discussion. But in view of this fact which I presume you were not aware of, until this moment,——

Mr. Lipson: (Interposing) I think so, your Honor, and let me state the reason for it. There were pre-trial conferences held in this case while the criminal case was also being moved forward. The criminal case, as your Honor will recall, was tried first, and after the criminal case was concluded, counsel for both sides approached your Honor and we stipulated and agreed that the record in the criminal case would then be introduced into the civil action, and the civil action would then be tried on that record, and the defendants would move to dismiss on that record.

There is an actual stipulation signed by all counsel dated, I believe, April 12, 1963, and an order of your Honor's based on that stipulation.

The Court: Which is what?

Mr. Lipson: This is a stipulation——

The Court: All right, will you read a part of the stipulation or the order?

[fol. 1361] Mr. Lipson: I will read from the order:

"It is Hereby Ordered that the same stipulation be and hereby is approved, and that the record in the proceedings in the United States vs. Huck Manufacturing Company is hereby received in evidence in this action, subject to all objections appearing therein."

A part of that line did not come out on the copying machine but I will skip that, your Honor.

"—constitutes the plaintiff's case in chief in this action on which plaintiff rests.

"And, further, that the defendants move, on or before April 15, 1963, pursuant to the Federal Rules of Civil Procedure for a dismissal of this action on that record."

I think the important words in that, your Honor, are "on that record."

Therefore, the pre-trial orders you are referring to here were never actually a part of the case as it was tried, as it was briefed, as it was argued, and as it was decided, and we had counsel's agreement to this and the stipulation on which the ruling was based, and we had the order itself entered by your Honor on April 2, 1963.

[fol. 1362] So I think, in any case, a pre-trial order at this stage of the proceedings, when the case is already terminated in the District Court and is now on appeal to the Supreme Court, it is just too late. The record has to be closed some time, and it certainly should be closed after trial and certainly after the decision, and most certainly when the case is being appealed to a superior court.

The Court: Do you question the authority of the Court at this time to enter such an order? Is that your position? Do you question the propriety?

Mr. Lipson: No, we are not questioning. We think it would not be improper to do so.

The Court: You feel that the Court would have authority, then, to enter such an order if through an oversight of someone the order had not been entered?

Mr. Lipson: I hesitate to commit the Department on that point. I am merely not prepared to give a firm statement.

Unless otherwise noted, I think, in a matter of judicial

oversight or administrative oversight, and an order should have been entered and had not been entered, it probably could be incorporated into the trial record.

The Court: Am I correct in saying, on the basis of what [fol. 1363] you previously told me, that both parties presumably agreed on the form of the pre-trial order at that time, without those portions in paragraph seven on page four, which you contend now is being added?

Mr. Lipson: Yes, your Honor. So far as the Government is concerned, I will state now that we were under the impression that the pre-trial orders were, in fact, enter-d in this case.

You asked whether both parties were under that impression?

The Court: Well, I will ask them as soon as you are through.

Mr. Lipson: As I have stated, your Honor, I think the Government would be prejudiced if this additional language would be incorporated in the pre-trial orders, and the pre-trial orders themselves were incorporated in the record.

The Court: That is what I wanted to know, what the main thrust of your argument was, whether it was the additional language of paragraph seven that is intended to be added?

Mr. Lipson: That is the most serious objection we have, your Honor, there is no question about it. I doubt very much that we would be here opposing this motion if it were merely a motion to have some pre-trial orders added [fol. 1364] to the record in this case, but we take a very firm and very strong position that pre-trial orders entered before trial cannot be amended and supplemented by incorporating additional material after trial. The record must stand as it is. Apparently every one was satisfied with the record at the time, and there was no attempt to change that portion of the record when the drafts were being circulated, or at any time before this motion was filed and argued, and I submit, your Honor, that the Government would be prejudiced because it would be bound to a position it did not advocate.

I would also like to make clear at this time that, so far as the appeal is concerned, whether your Honor grants the

defendants' motion or not, the Government wants to state categorically that it does not waive its right to contest the validity of the General Electric case in the Supreme Court, and this case, or any other case for that matter, and that nothing done below can affect the right of the United States, through the Solicitor General, to appeal legal questions to the Supreme Court. We say there was never any waiver. And, regardless of what is stated by your Honor,

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The Court: (Interposing) I don't know that this Court is attempting to take any of those rights away.

Mr. Lipson: I appreciate that, your Honor, but the only [fol. 1365] reason I can fathom for seeking this pre-trial order at this time is in preparation for such an argument to *the* made either to this Court or to the Supreme Court on appeal, and for that reason I would like to make it perfectly clear that the Government at no time waives its right to contest the validity of the General Electric decision.

We didn't seek to have your Honor overrule that decision, and I think it is perfectly clear that you don't ask a District Court, however highly regarded, to overrule a decision of the Supreme Court of the United States.

Your Honor, we were presented, immediately before Mr. Stern's argument, with a brief and I have not had a chance to look at it yet. I would like to have the opportunity to do so, your Honor.

The Court: And the proposed order?

Mr. Lipson: No, no, your Honor, not the proposed order, the brief. I have not had a chance to even glance at it, your Honor, and I would like to have an opportunity to do so and an opportunity to reply to it in kind.

The Court: Well, you will have that opportunity.

[fol. 1366] Mr. Lipson: Thank you, your Honor.

Essentially, then, your Honor, as we view it, the defendants seek to change the record in this case by adding material that was never incorporated in the record, since your Honor's own order limited the size and scope of the record on appeal.

But even passing that, even assuming that the pre-trial orders, as they were originally written in this Court, were to be entered in the record, we think that by no means should the language be changed nor should substantial

portions of that record be supplemented, especially when the supplement purports to state what the Government's position is, and the Government maintains that that is not its position.

Thank you, your Honor.

The Court: First of all, is counsel for the defendant aware that the order had not been entered in the form that it had been presented to counsel for the Government?

Mr. Stern: We were not acquainted with that until some weeks ago.

Mr. Braham: Just for the record, your Honor, that was our position also for Townsend Company.

The Court: You were under the impression that the [fol. 1367] order had been entered?

Mr. Braham: We were under the impression that it had been, when we got it, and at the time we received it most of the pre-trial steps had been taken and we had received the information which was to have been submitted to us.

The Court: At the time that that proposed pre-trial order, which had been circulated to counsel for all parties, there was no objection to it, in the form that it was in, am I correct, insofar as the Government's position is concerned?

Mr. Lipson: As it stood on January 15th, 1963?

The Court: You had no objection to it at that time?

Mr. Lipson: It was unobjectionable at that time.

The Court: And that was true as far as counsel for the defendants is concerned?

Mr. Braham: We submitted no objections at that time.

Mr. Stern: Yes.

The Court: The question is whether I would like to have you reserve whatever arguments you have on the question of whether or not I can supplement that order by the pro- [fol. 1368] posed language of paragraph seven on page four.

Mr. Stern: Our brief gives a few cases in support thereof, may it please the Court.

I think it was a stroke of fortune that the order was not entered, which makes it easier as a matter of procedure.

The Court: A stroke of fortune, what?

Mr. Stern: For the decision in this case as to all parties, in that the question presumably never would come up, has

come up subsequent to the determination of this case. I point this out to the Court that, never throughout the trial of this case, was there any suggestion—the case was submitted on the basis that there was no question of either the validity or propriety of the General Electric case.

We will stand or fall, may it please the Court, subject to the Court's power to enter this order, upon what did take place at that pre-trial conference, and from which the Court drew the suggested pre-trial orders.

Either the Government did or it did not state that it was going to question the doctrine in G.E.

Now, I am drawing your Honor's attention to the difference between "questioned the doctrine," or asking the Court to "overrule" the Supreme Court.

[fol. 1369] Accordingly, this case was tried throughout without any attempt in any manner to question the doctrine of G.E., but rather to distinguish it.

Now, it goes without saying that in the event that issue had been in this case, our presentation of the case might have been quite different. I don't say it would, I say it well might have been. We do not try issues that have been ruled out.

Accordingly, if this Court can and does determine that the agreement reached at pre-trial, in the narrowing of the issues, was as we have stated it to be, instead of, as I understand the Government states it to be, then I believe we are entitled to this order, and those distinctions are as follows:

If I understand counsel for the Government correctly, he admits that they agreed—they contended that this case was without the facts and circumstances and issues in G.E. In other words, it was distinguishable.

We say that the record shows, and we maintain that the facts are that they specifically stated more than was outside of it.

The Court: They stated it when?

Mr. Stern: In the pre-trial hearing, I believe on October 1, and they stated it in the presence of the Court, and from [fol. 1370] which the Court drew its proposed pre-trial order, that they specifically said that issue was out.

Now, if it is only that it is distinguishable, we maintain that there would be something to the Government's argu-

ment, but I think Mr. Lipson has forgotten the facts. And when he stated that the position, and I will use his words, he said that the position of the Government, that they did not advocate, that they didn't go as far as we say they went, we maintain it was entirely clear that they didn't say it was distinguishable alone, but that they said they had no contest of it.

Now, I used the word "contest" as against the word "overrule". I am not adding a great deal except that we have a valid question. This Court sought to narrow the issues and it did narrow the issues. Then at a later date, a contention that I am amazed that Mr. Lipson would even make, is now raised to the effect that they didn't do we now say they did.

STATEMENT ON BEHALF OF DEFENDANT, TOWNSEND AND COLLOQUY

Mr. Braham: May it please the Court, I have perhaps a slightly different recollection than perhaps Mr. Stern. I had made some notes during the pre-trial conference, and when this question was raised, I went back to those.

If your Honor will go back with me, perhaps your recol- [fol. 1371] lection can be refreshed as mine was. We had quite a long conference on the 1st of October, at which time Mr. Dickey went through the complaint section by section, asking the Government questions, and at that conference, towards the end, Mr. Pomeroy was asking certain questions he had and he asked the Government if the Government's position was that the G.E. case should be overruled?

My notes stated, on the question of the General Electric doctrine, "Is it the Government's position that the General Electric case is no longer good law?"

The Government answered in its brief, I think it was the brief they submitted in the criminal case, they set it out and they were taking the same position. But when we continued to press that, my notes indicate that one of the attorneys for the Government, and I do not know which, stated that he wished to check with his superior on whether General Electric case was good law, and my notes state that that statement was made by Mr. Esherick on the 15th of October, which would be two weeks later. We were scheduled to have a pre-trial in the criminal case, at which one

of the principal subjects to be discussed was the date on which the criminal case was to be tried, because that would affect the period of time which your Honor would set aside for the argument of the case.

[fol. 1372] Because we had the criminal pre-trial set for the 15th of October, your Honor directed us to stop back and made a very short amendment to the pre-trial, at which we could give your Honor the information with respect to the date of the trial, and my notes for that date, the 15th, indicate that one of the attorneys for the Government, and my notes don't show which, stated that there was going to be no attempt in this case to overrule the General Electric case. That is what it says.

Now, I would agree that they would not ask this Court to overrule the precedent in the Supreme Court, but the clear understanding of all parties, certainly all of the attorneys for the defendants, and the understanding of the attorneys for the defendants was that there was no question of the validity of the General Electric doctrine throughout this case, and that applied not only to the civil case, but in the criminal case, and the record to which Mr. Lipson referred, throughout.

In building the case, or building the defense, the first block that any one used was that the General Electric case was a valid doctrine.

The Court: Let me ask you this question: What is the significance of the addition of these words in the pre-trial order?

[fol. 1373] Mr. Braham: The Government is attempting in the Supreme Court to have the General Electric doctrine overruled, and it is our position that, in considering that question, the appellate court should have before it the entire record of the way in which the case was tried below.

We think that when the Government intends to question a particular precedent in a higher court, although it may not ask the lower court to take any position on it, if the lower court understands that a particular precedent is being questioned, which would be determinative of the issues, then the lower court may wish to decide it on the basis of that precedent and then say, "We understand that precedent is being questioned, and that our judgment would

be such and such, in the event that that precedent were not accurate."

In other words, to give the complete record in the lower court, the possibility that the controlling case may be overruled should be, it seems to me, woven into the entire fabric or framework of the action below so that that argument which is anticipated in the appellate court can be anticipated in the lower court, and any facts or evidence or documents which bear on that question, of whether the case should be overruled, can be made and presented in the lower court.

[fol. 1374] In that way, it seems to us, the lower court is then doing the job which it should do to aid an appellate court in a decision of whether in fact the precedent ought to be overruled.

So that Mr. Lipson says he thinks the Government's position is that the record should stand as it is, and it is our position that, without this modification to the pretrial order, the record would seem to show a case that was tried in a different way than it, in fact, was tried. We believe that throughout the entire history of this trial below, it was accepted that the Government was not attempting to question or have overruled the General Electric doctrine.

The Court: It is agreed that the position of the Government was that the facts of this case fall outside the facts in the General Electric Case. That much is agreed?

Mr. Braham: That much is agreed.

The Court: But it is your position further that the Government did not attempt to have the General Electric case overruled?

Mr. Braham: It seems to me that that is the primary position they had taken throughout. But, when you are preparing a case for trial, and you say:

> [fol. 1375] "What happens if the Court finds that the facts don't fall outside the General Electric?"

It seems to me that that is inherent in just stating the issue that the Government has stated.

Suppose that this Court finds that the facts are not outside the General Electric, or that they are within the General Electric, and it is our position that at that point

the Government said, "Well, in this case we do not intend to attempt to overrule the General Electric case." We believe that is stated by Government counsel. It is the recollection of defense counsel that that statement was made in the presence of your Honor in chambers at the pre-trial conference on the 15th of October.

The Court: I would like to ask counsel for the Government whether he agrees with counsel for the defendants version of what transpired at the pre-trial hearing before this Court on October 15, 1963? I believe that was the date, was it not?

Mr. Stern: I would like to correct my statement. I answered the Court "October 1," but that October 15 is correct.

Mr. Lipson: Your Honor, my understanding——

The Court: (Interposing) The reason I am asking that [fol. 1376] is this: If there will be a pre-trial order, I want to have it reflect exactly what did occur on that date.

Mr. Lipson: Your Honor, my personal recollection of that conference is that the Government was requested to state what its position would be with respect to General Electric and I recall that Government counsel had a difficult time answering the question because the object was not to prejudice any attempt that the Government might conceivably make in the future to overrule the case, but at the same time to make it clear to the Court that this case that was being tried before your Honor was being tried on the theory that this case was different from the General Electric case in the sense that restraints of trade alleged here were far more clear than those permitted by the General Electric doctrine.

The Court: I understand that. Then there is no question about the fact that the Government's position was that the facts here are different. But was there any statement made at that time that the Government is not attempting to have the doctrine in the General Electric case overruled?

Mr. Lipson: If such a statement was made, it was only made in the context of the Government's position in the trial in this Court.

[fol. 1377] The Court: The reason I say that is because I want to call upon Miss Stack, my law clerk, who pre-

pared the notes at the time of the pre-trial hearing, and I have just gone over these notes and I want to ask her whether her memory as to what transpired conforms with what my recollection seems to be.

Mr. Lipson: Your Honor, may I make one additional comment?

The Court: Yes.

Mr. Lipson: Your Honor, it is a long time since the pre-trial conference occurred. It is about a year and a half later. As we have already seen this morning, Mr. Stern's memory is not quite the same, and Mr. Braham's memory and my own.

The Court: And my memory is the weakest of all, I will say.

Mr. Lipson: You work harder than all of us.

The Court: That may be it or there may be other reasons, but I am sure I don't want to rely on my own memory as to what transpired.

Mr. Lipson: Your Honor, I think we can rely on the fact that when this draft pre-trial order was circulated, at that time memory of all counsel was fresh on the point, cer-
[fol. 1378] tainly fresher than it is now, and if at that time the pre-trial order did not correctly reflect the agreements between counsel, I think at that time it was incumbent upon counsel to make whatever changes and corrections, so that the matter could be straightened out definitely.

The Court: I will ask Miss Stack who is my law clerk, and who was my law clerk at that time, and who prepared the notes upon which the pre-trial order was based, and I want her to read from her notes.

Miss Stack: At that time counsel——

The Court: (Interposing) What date are you reading from?

Miss Stack: On the 15th of October, when counsel were to report——

The Court: (Interposing) Are you reading from your notes?

Miss Stack: I am reading from my notes that I keep on every pre-trial conference.

The Court: That you made on that date?

Miss Stack: That I made on that date. They reported

on the 15th of October, on the applicability of the General Electric case, and my notes on that are that:

> "The Government is not attempting to have doctrine [fol 1379] set in General Electric case overruled. It says only that facts in this case do not fall within that doctrine; the doctrine is still good law but does not apply as acts in this case are illegal without application of the doctrine, and that they will write a letter by December 29th."

The Court: Those were the notes you made immediately after the conference?

Miss Stack: That is right.

The Court: Gentlemen, my recollection, regardless of what should be done today, is that that substantially states the contents of the meeting we had on October 15th.

Do any of you wish to be heard further as to Miss Stack's statement as to what transpired on October 15th? She has read from her notes which I have before me of the meeting of that day?

Mr. Lipson: Your Honor, may I be heard?

The Court: Yes.

Mr. Lipson: I think the statement Miss Stack read, and I certainly won't challenge it, can only be understood in the context of what kind of trial we were going to have in this case.

[fol. 1380] The problem that I see is that the defendants want to extend whatever statement appears there, and that the Government may be able to argue in the Supreme Court, but I think that is wholly outside the context of any discussion that was had at the pre-trial conference.

I don't think the defendants are prejudiced in the matter because, unlike a question of fact, where I will concede readily that they might be prejudiced if the Government changes its position, or advocates a theory it did not advocate below, but this is purely and strictly a question of law, and it is clear, for example, that, should we have omitted the citation of a relevant case in the District Court, clearly that citation could have been made to the Supreme Court. We do not determine at the trial level what issues or arguments will be raised at the Supreme Court. That is a function of the Solicitor General, and I am under

his control, and I have no control as to what the Solicitor General does in the Supreme Court. He is an independent functionary of the Government, in a sense. If he chooses to argue the General Electric case above, that is his determination. So, whatever statement we could make at the pre-trial conference, your Honor, are relevant only in the sense that this trial is to be governed, the argument to be made in the course of this trial.

[fol. 1381] As was said previously, it would have been presumptuous for us to say, "Yes, your Honor, we hope you will overrule the General Electric case."

Suppose your Honor did do so? What would it have meant? There would have just been a great question mark on the lower courts even though they disapproved the Supreme Court, they still have a certain obligation to follow them through until they are overruled by competent authority.

Mr. Stern: Your Honor, I would like to reply briefly. Obviously, we are satisfied with Miss Stack's undoubtedly accurate relation of what took place.

On the last point raised by counsel, may I point out to the Court that, whereas he talked about a District Court being unable, as he puts it, to overrule a United States Supreme Court, I believe that we as lawyers, and occasionally judges, do the same, talk rather blithely about overruling. There are all types of overruling. There is a slice off of the full impact of a case, there is most of the case out the window, and sometimes there is all of it.

May it please the Court, on a normal basis an appellate court takes those questions only which were fairly raised and considered in the lower court. But if we consider [fol. 1382] here that this case was tried upon an assumption that I say those notes show firmly, that the least this Court can do to assist, in my opinion, is to follow the issues that were raised in this case, which the Court did. And if the pre-trial order as proposed accurately sets forth what Miss Stack says took place, we do ask that it be entered.

Mr. Braham: May I make just two short statements?

The first of these, there has been some statements by counsel for the Government that we did not make any reply to the draft or form of order suggested in January of 1963. We did not because we could not concede that the

Government would go back on statements that it had made in the pre-trial conference. We believe that when they said they did not intend to overrule the General Electric case, that that would continue to be their position throughout the trial.

Secondly, as I sat there, I wondered whether we were in the District Court or in the Supreme Court when we were talking about the power of the Court to overrule the precedent of the Supreme Court. That is an argument properly presented to the Supreme Court.

All we are doing here is asking this Court to submit as [fol. 1383] its record of the proceedings, what actually transpired. This Court need not face the question of whether it could overrule the Supreme Court precedent, whether the Government could bind the Solicitor General. The government—it is always very useful to have two branches of the Government, and so one cannot prejudice the other when it is useful.

All we are asking is that this Court set forth in the pre-trial orders what actually occurred. After that the Government may present some of the arguments which we have heard this morning to the Supreme Court, which has the ultimate decision of deciding whether or not that statement of the Government is binding at a later date. But at this point we merely ask that the pre-trial orders which we are asking be entered here should set forth the positions which were taken by both parties prior to the trial, during, and throughout the trial.

The Court: Gentlemen, the thought that occurs to me is this. We really are dealing with two problems here.

One, the entry of an order which both sides evidently felt was entered, should have been entered, but for some reasons, was not.

The Government, as I understand its position, does not wish to say that it consents to have such order entered, [fol. 1384] but does not have any real serious opposition to it.

Am I stating the position of the Government with regard to the original order, in the original form it was in?

Mr. Lipson: Your Honor, our serious objection is to the change in it. You are correctly stating the position.

The Court: Yes, I will deal with that later.

Am I correct in saying that if the order were entered in the original form in which it was circulated to counsel, there would have been no serious objection on the part of the Government in that form?

Mr. Lipson: That is correct, your Honor.

The Court: The thought that occurs to me is that maybe it would be proper to have the order entered first in the form that it had been circulated, and the form in which it presumably had been agreed upon, and then that there be a separate supplemental order citing the facts as reported by Miss Stack, the law clerk, who reported the incident, and it is the recollection that I have as to what transpired, have the supplemental order recite merely what her notes indicate took place and have the letter of October 30th [fol. 1385] which followed it attached thereto, so you would have two separate orders. One, presumably, to which there is no objection, and the other one which you could probably question if either one of you wanted to question in the other court afterwards.

I would like to ask the Government what is its position on that?

Mr. Lipson: Your Honor, we are put in a strange position of arguing what would have been the case "if". I can only assume now that if the material incorporated in Miss Stack's notes was in fact incorporated in the pre-trial orders, the Government would have made some attempt, I feel certain, to modify the language to such a point that there would be no assumption that we are not going to challenge General Electric.

To the extent that Miss Stack's notes are therefore subject to a supplemental order of this Court, I would request permission of your Honor to incorporate any objections that the Government has to those notes. Those notes were Miss Stack's notes. The Government has never seen them, has never had a chance to examine them, or rely on them, but did examine and rely on the pre-trial orders which it thought were in effect.

The Court: I will not enter any order today. I will give you [fol. 1386] an opportunity to first of all answer the brief. I have tried to figure out how to handle this and the thought did occur to me whether I have any authority to enter such an order at this time.

Does the defendant feel the Court has authority to enter such orders without any remand for corrections?

Mr. Stern: Yes, your Honor, under the cases cited in our brief.

The Court: Do you feel we have that authority?

Mr. Lipson: Your Honor, I would like to have an opportunity to review the defendants' brief and the cases they have cited on that point.

Mr. Braham: Just a couple of words.

Your Honor made some reference to "remand."

The Court: I was just asking whether or not there is any authority in support of entering any such order, or any supplemental order?

Mr. Braham: It is our understanding of the general law, which has been in existence for many, many years, is that the lower court has control over the contents of its record, so long as that record is in the possession of its Clerk.

Whether or not a notice of appeal has been filed to an appellate court, there are even cases which go so far [fol. 1387] as to say that, after the record has been transmitted to the appellate court, if there are questions about the record which the appellate court wishes to have answered, it will send the record back to the lower court in order that the lower court may act on motions with respect to the correctness of the record.

So that it is our position, as set forth in the brief, that this court has the inherent power to control the contents of the record of proceedings before it, despite the fact that a notice of appeal has been taken. Certainly, so long as the record is in the possession of the Clerk for the Eastern District of Michigan.

The Court: What is your position to the suggestion that I make, that the first pre-trial order be entered in the form it had originally been made, and that there be a supplemental order with the additions, to comply or to agree with the notes that had been prepared by my law clerk at the time of the pre-trial hearing, and which seem to confirm my memory as to what happened?

Mr. Braham: Speaking for the Defendant Townsend Company, that procedure would be satisfactory to us because it would satisfy our major problem, and that is,

we feel the record does not disclose what actualy occurred, so that the procedure would be perfectly satisfactory to [fol. 1388] the Defendant Townsend.

Mr. Stern: Speaking for the Defendant Hick, we are entirely agreeable to that, and since the Court has authority to do that we urge that it be so done.

The Court: I don't suppose the Governmen wishes to make a statement as to its position at this tine on that until it has an opportunity to answer the brief. But I would like you to bear in mind that it would seem to me that that would be the best way to handle the situation, have separate orders.

Mr. Lipson: Without committing ourselves, your Honor, I think that certainly if the pre-trial orders are going to be entered, they are going to be entered in the present form, in the form that counsel assumed they existed prior to trial, and that any changes should certainly be kept separate from the initial orders themselves, and to that extent I certainly agree with you.

The Court: In other words, if the Court feds that the position of the defendants is well taken, that that be made in a supplemental pre-trial order?

Mr. Lipson: To the extent that any additions or supplements be made, they should be made separately from the initial original order.

The Court: How much time do you need to reply to [fol. 1389] the defendants' brief?

Mr. Lipson: I don't know, your Honor. As I have said, I have not had a chance to look at it, but I imagine a two week period would probably be enough.

The Court: I was going to suggest that it is not quite as extensive as the brief you filed prior to the trial of the case here. So two weeks will be satisfactory.

What about the defendants? Do they wish additional time?

Mr. Stern: We would like about ten days, because of the transmittal between here and Washington, it is not as quick as if we were here.

The Court: Very well. I will give you two weeks to answer.

Now, do you gentlemen want to appear again in Court, or do you want to have the matters submitted on briefs?

Mr. Stern: I think the matter is narrowed to a point where it would be unnecessary to appear, unless the Court feels we would be of help by appearing here. I would be against it.

The Court: Is that your position also, Mr. Lipson?

Mr. Lipson: Your Honor, I see no present reason why [fol. 1390] additional oral argument would be required. Again I must speak from ignorance because I have not read the arguments that the defendants are making in their brief.

The Court: All right, unless I hear from parties, there will be no additional oral arguments. If either party feels additional oral arguments are necessary, they will let me know, and I will get in touch with counsel.

Mr. Stern: Thank you.

Mr. Lipson: Thank you, your Honor.

The Court: All right, the matter will be marked heard and submitted.

(End of hearing.)

[fol. 1391] Reporter's Certificate to foregoing transcript omitted in printing.

[fol. 1392] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

[Title omitted]

Civil Action No. 21791

ORDER EXTENDING TIME—July 8, 1964

Upon motion of plaintiff-appellant United States of America, defendants-appellees consenting thereto, it is hereby ordered that the time for the appellant to docket this case on appeal and to file a jurisdictional statement in the Supreme Court of the United States shall be extended for a period of 30 days, i.e., until August 26, 1964.

Thaddeus M. Machrowicz, United States District Judge.

Dated: July 8, 1964.

[fol. 1393] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

v.

HUCK MANUFACTURING COMPANY AND TOWNSEND CO., Defendants.

ORDER TO ENTER FINAL JUDGMENT NUNC PRO TUNC—July 17, 1964

On February 28, 1964, Findings of Fact and Conclusions of Law upon Dismissal Under Rule 41(b) of the Federal Rules of Civil Procedure were entered in the above entitled action including and concluding in the order

> "It is Therefore Ordered that judgment be entered herein against the plaintiff dismissing the action and the Complaint filed herein."

Pursuant to Rule 58 of the Federal Rules of Civil Procedure and under this separate document

> It is Therefore ordered Nunc Pro Tunc that judgment be entered herein against the plaintiff as of February 28, 1964, dismissing the action and the complaints filed herein.

Thaddeus M. Machrowicz, U. S. District Judge.

Dated at Detroit, Michigan this 17 day of July, 1964.

[fol. 1394] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

[Title omitted]

NOTICE OF APPEAL TO THE SUPREME COURT OF THE UNITED STATES—Filed August 13, 1964

I. Notice is hereby given that the plaintiff, the United States of America, hereby appeals to the Supreme Court of the United States from the judgment dismissing this action entered on July 17, 1964, *nunc pro tunc* as of February 28, 1964.

This appeal is taken pursuant to 15 U.S.C. 29.

II. The Clerk will please prepare a transcript of the record for transmission to the Clerk of the Supreme Court of the United States, and include therein the entire record before the district court, including all papers filed with the Clerk of the court in this proceeding and this Notice of Appeal.

III. The Questions Presented:

1. Whether the decision in *United States* v. *General Electric Co.*, 272 U.S. 476, insofar as it holds that an agreement between a patent owner and its licensee that the licensee will sell the patented product only at prices established by the patentee does not violate Section 1 of the Sherman Act, should be overruled.

2. Whether, in any event, an agreement by which a patentee undertakes not to grant any other unrestricted licenses upon condition that its sole licensee would follow the patentee's prices, violates Section 1 of the Sherman Act.

/s/ Arthur J. Murphy, Jr., Attorney, Department of Justice, Washington, D.C. 20530. /s/ Lawrence Gubow, United States Attorney.

[fol. 1395] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY, INC., AND TOWNSEND CO., Defendants.

PRE-TRIAL ORDER—August 19, 1964

Present: Honorable Thaddeus M. Machrowicz, U.S. District Judge.

Pursuant to notice a pre-trial hearing was held in the above matter on October 1, 1962. Parties to this action were represented at the hearing by the following counsel:

The Government—by Charles R. Esherick and Jaek Louis Lipson, Department of Justice, Anti-Trust Division, Washington, D. C.

Defendant Huck Manufacturing Co., Inc.—by Arthur W. Dickey, John C. Sterritt, and Albert M. Stern; and

Defendant Townsend Co.—by Thomas W. Pomeroy, Jr., Samuel K. McCune, W. Walter Braham, Jr., and W. Gerald Warren.

A motion to admit defendants' out-of-state counsel to practice in this Court, for the purposes of this case only, was made and granted.

The complaint filed in this case charges defendants with a conspiracy to violate the Sherman Anti-Trust Act. Defendants deny the existence of any conspiracy and deny violation of the Act in any respect.

No amendments to pleadings are contemplated by either side.

A criminal prosecution, based on charges which gave rise to the instant case, is presently pending before another [fol. 1396] Judge of this Court, but not all counsel who appear in this case are involved in the criminal proceeding.

Documents which will be introduced in evidence in the criminal case will also be used as exhibits in the present suit. A list of such documents will be furnished by the Government to defendants.

Although it is expected that proof in the civil and criminal cases will be similar, the Government is not obligated and does not intend to limit its proof in this case to the same evidence that it intends to produce in connection with the criminal litigation. Evidence in addition to that introduced in the criminal case may be introduced in this case and not all evidence expected to be introduced in the criminal case need be introduced in this case.

Discovery will be extensive unless information counsel expect to elicit upon discovery is voluntarily submitted. To this end, questions which defense counsel intended to include in proposed interrogatories were discussed and information was voluntarily offered by Government counsel in answer to some of the questions. As to the remaining questions defense counsel were advised to proceed by filing interrogatories or by motion.

The only facts defendants concede at this time are those admitted in pleadings on file.

Government counsel advised opposing counsel that they will submit proof in support of charging allegations contained in paragraphs 14, 15 and 16 of the complaint but will offer no independent proof as to allegations of paragraph 17, although proof on the charging allegations may also incidentally refer to allegations of paragraph 17 as to alleged effects of the conspiracy charged. It is the Government's position that proof of the conspiracy establishes the natural effects of the conspiracy and that it is not incum- [fol. 1397] bent upon the Government to present independent proof as to effects of the conspiracy in an action of this type.

Defendants requested from the Government a list of its proposed witnesses at the trial with identification of the allegations in the complaint as to which each witness will testify. Government counsel agreed to furnish the list of proposed witnesses, without being limited to such witnesses only and without being bound to call each witness on the list; they objected to giving the gist of the testimony of each proposed witness.

As a result of the discussions between counsel, and in response to direct questions at the pre-trial hearing, Government counsel offered the following information to defense counsel to aid them in preparation for trial:

1. The Government makes no claim of invalidity of patents to which reference is made in paragraphs 14, 15 and 16 of the complaint;

2. The Government will rely upon the written agreements mentioned in the complaint as the licensing agreements which formed a part of the alleged conspiracy;

3. Validity of the written agreements themselves will be challenged insofar as they form a part of an alleged over-all agreement constituting a conspiracy to violate the Act, it being the claim of the Government that the written agreements are tainted by the illegality of the over-all agreement;

4. The Government relies not only upon the alleged oral agreement reached at a secret meeting mentioned in the complaint, but upon oral instructions given on other occasions in modification, alteration, extension, etc., of the original oral agreement;

5. Only one conspiracy is charged by the Government. The Government will rely upon the agreement described in paragraph 16-b of the complaint, as the basic agreement, but it may also introduce independent evidence of meetings of defendants' officers to establish existence of the alleged conspiracy;

6. Counsel for the Government were not ready to state whether they will rely solely upon the alleged agreement to fix prices and to limit licensing, but after a [fol. 1398] re-study of the facts they will advise defendants whether additional claims will be made in support of allegations as to existence of a conspiracy;

7. The Government is proceeding on the same theory of law in this case as it has advanced in the criminal case, which has been discussed in briefs submitted in the criminal case. After a re-study of the facts it will advise defendants of its position as to applicability of

the General Electric case decision, if any, to this case. On October 15, reporting on the applicability of the General Electric case, the Government stated that it is not attempting to have the doctrine set in the General Electric case overruled and stated only that facts in this case do not fall within that doctrine; that the doctrine is still good law but does not apply as the actions in this case are illegal without application of the doctrine; and that it will write a letter by December 29, describing in what way the facts of this case differ from the facts of the General Electric case. A copy of the letter to the Court, dated October 30, 1962, from the Assistant Attorney General of the United States, Antitrust Division of the Department of Justice, is attached hereto and made a part hereof."

8. The Government's prayer for relief will be stated in more specific terms after narrowing of the issues involved, in advance of trial.

9. Counsel agreed to confer immediately upon conclusion of a pre-trial hearing in the criminal case scheduled for October 15, 1962, with reference to matters discussed at this hearing and particularly as to information to be submitted by the Government as covered by sub-sections 3, 6 and 7 of this pre-trial order.

Government counsel agreed to submit to defendants, by not later than December 15, 1962, a list of firms which were regarded as qualified manufacturers of lockbolts and lockbolt parts, as well as a list of patents (identifying them by number) which the Government claims had their authorized monopolies extended beyond the scope permitted by law.

Since the pre-trial hearing counsel reported that the criminal trial has been set for February 19, 1963. It was agreed that all discovery proceedings shall be suspended for a period of two (2) weeks in advance of the criminal trial and during the progress of the trial.

[fol. 1399] Government counsel also advised the Court and opposing counsel of its position that facts in the instant case do not fall within the category of cases to which the doctrine expressed in the General Electric de-

cision applies, and that the acts complained of in suit are illegal without application of that doctrine.

On the basis of the pre-trial discussions, agreements reached between counsel, and directives of the Court,

It Is Ordered:

1. Thomas W. Pomeroy, Jr., Samuel K. McCune, and W. Walter Braham, Jr., all of Pittsburgh, Pennsylvania, are admitted to practice in this Court, for purposes of this case only.

2. Plaintiff shall submit to the Court and to the defendants, before the date of the adjourned pre-trial hearing, a list of documents which it proposes to submit in evidence at the trial.

3. Counsel shall report to the Court at the adjourned pre-trial hearing on the progress made toward completion of discovery.

4. The pre-trial hearing is continued to December 21, 1962 at 3:00 P.M.

/s/ Thaddeus M. Machrowicz, U.S. District Judge.

[fol. 1400] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY, AND TOWNSEND COMPANY, Defendants.

SECOND PRE-TRIAL ORDER—August 19, 1964

At a session of said Court, held in the City of Detroit, Michigan, in the Federal Building, on the 19th day of August, 1964

Present: Honorable Thaddeus M. Machrowicz, U.S. District Judge.

At an adjourned pre-trial hearing held in this matter on December 21, 1962, the parties were represented by counsel of record.

Pursuant to agreement reached at the first pre-trial hearing the Government filed a statement which includes a list of patent numbers relevant to this suit, a selected list of manufacturers of lockbolts and lockbolt parts it deems qualified, and a list of its proposed witnesses.

The Government was requested by defendants to identify which of the manufacturers on the list were allegedly refused licenses and it agreed to make such identification, giving dates on which application for a license was made in each instance, if available.

A proposed list of defendants' witnesses was requested by the Government and defendants were directed by the Court to furnish such a list within the time limited therefor. Defendants will not be limited thereby and may call additional witnesses or refrain from calling any of the witnesses named on the list, if circumstances warrant it at the time of trial.

[fol. 1401] With reference to the list of allegedly qualified manufacturers the Government asked for defendants'

comments respecting qualification of such manufacturers; defendants agreed to do so within two (2) weeks from the date of the hearing and a statement to that effect is now on file.

Actual copies of documents included in proposed exhibits of the Government were furnished to defendants and a request was made at this hearing for admissions as to genuineness of such documents. Defendants were directed to admit or deny genuineness of each of such documents or to indicate lack of knowledge if genuineness was not admitted or denied. Since the pre-trial hearing defendants submitted lists of documents which each defendant admits are genuine.

The terms "substitutes for lockbolts" and "related products" are given in paragraphs 15-d and 16-c of the complaint. Defendants asked for information as to products, if any, the Government contends are included within those terms. Government counsel indicated that the paragraphs referred only to an agreement, not to a particular product, and if such terms were included in any alleged agreement it is not necessary to go beyond proof of such agreement. It was agreed, however, that if any particular products can be identified, the Government will advise defendants in advance of trial.

Paragraph 5 of the complaint defines the term "lockbolt". Defendants asked the Government to state whether the definition was intended to cover anything beyond the description in the patent and whether the Government has reference to the type of lockbolt illustrated in the appendix to the complaint except for differences in size, shape, material, etc. Government counsel agreed to review the file and to advise defendants whether the definition will be [fol. 1402] limited to the definition to the patents disclosed, whether reference will be made to additional patents, and whether the definition of lockbolts in the complaint will be amended.

The complaint charges that authorized monopolies of patents were extended beyond the scope permitted by law. Asked for a clarification of the scope, the Government stated its claim to be that the scope was extended beyond that permitted by law by the general conspiracy as alleged in the complaint.

At the first pre-trial hearing Government counsel advised that they will rely upon the written agreements mentioned in the complaint as the licensing agreements which formed a part of the alleged conspiracy. In view of alleged oral agreements reached at a secret meeting and subsequent oral alterations, amendments, extensions, etc. of such agreements on "other occasions", defendants asked in the event the Government intends to rely upon agreements other than those identified in the complaint as the licensing agreements forming a part of the alleged conspiracy, either oral or written, that it identify each and every such licensing agreement, giving dates, names of persons participating, place, and substance of the meeting or discussions on each of these occasions. The Government agreed to furnish dates, names of participants, and places at which such alleged agreements or modifications thereof were reached, and, to the extent it can do so, will give the substance of the meetings or discussions.

It is Therefore Ordered:

1. The Government shall furnish to defendants by February 10, 1963 a list of manufacturers of lockbolts and lockbolt parts who were allegedly refused licenses by defendants and approximate dates on which applications for licenses were made.

[fol. 1403] 2. Defendants shall submit to the Government by January 20th, 1963, a list of its proposed witnesses but shall not be limited to such witnesses if circumstances at the time of trial warrant production of additional witnesses or non-production of witnesses named on the list.

3. All other information which either side agreed, either at the first or second pre-trial hearing, to furnish to the other side, shall be submitted by February 10, 1963, unless reasons for non-production are given to the Court prior to that date. As to any additional requests upon which the parties cannot agree, they shall proceed in accordance with the rules.

/s/ Thaddeus M. Machrowicz, U.S. District Judge.

[fol. 1404] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY, INC., AND TOWNSEND CO., Defendants.

ORDER GRANTING DEFENDANTS' MOTION TO SUPPLEMENT RECORD—August 19, 1964

Present: Honorable Thaddeus M. Machrowicz, U.S. District Judge.

Defendants having filed a motion to supplement the record in this case, after notice of appeal by plaintiff was filed in this cause; and the Court having heard said motion and having considered arguments of counsel thereon made orally and in briefs submitted to this Court, and having filed its memorandum of reasons why such Motion should be granted,

It is Hereby Ordered

That defendants' motion to supplement the record in this cause, now on appeal in the Supreme Court of the United States, be and the same is hereby granted.

It is Further Ordered

That the record in this cause be supplemented by entering, as orders of this Court, a "Pre-Trial Order" and a "Second Pre-Trial Order" in the form attached to the motion to supplement the record.

/s/ Thaddeus M. Machrowicz, U.S. District Judge.

[fol. 1405] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

UNITED STATES OF AMERICA, Plaintiff,

vs.

HUCK MANUFACTURING COMPANY, INC., AND TOWNSEND CO., Defendants.

MEMORANDUM OF ORDER GRANTING DEFENDANTS' MOTION TO SUPPLEMENT RECORD—August 19, 1964

Plaintiff filed a notice of appeal from a decision of this Court dismissing this action, reached on February 28th, 1964. Defendants thereafter filed a motion to supplement the record which is now before the Court.

The motion seeks to supplement the record by entering as orders of this Court two (2) pre-trial orders, in the form attached to the motion, and entitled "Pre-Trial Order" and "Second Pre-Trial Order". Defendants contend that entry of these orders to supplement the record is necessary in order that the record of proceedings truly disclose what occurred in this Court for the purpose of supplying a true, accurate and complete record for review on appeal.

Proposed pre-trial orders were drafted by the Court upon pre-trial hearings held on October 1, 1962 and December 21, 1962. Copies thereof were submitted to counsel of record for the purpose of indicating to the Court, prior to entry of such orders, whether they adequately state the position of each party and agreements of counsel as presented at the hearings. Considerable correspondence followed submission of the proposed orders to counsel but, since no express consent to their entry on the record appeared therein, the orders were not filed or entered on the record. Upon a hearing on the motion, both sides admitted a belief that the proposed orders, in the form submitted [fol. 1406] to them, were entered prior to the trial of this cause.

The forms of orders attached to the motion are identical with the proposed pre-trial orders with one exception. Defendants ask by their motion that additional provisions be added to the "Pre-Trial Order" as drafted by the Court.

The "Pre-Trial Order" recites the gist of discussions and agreements made in the course of the pre-trial hearing of October 1, 1962, in the following language:

> "Government counsel offered the following information to defense counsel to aid them in preparation for trial;
>
> • • • • • • •
>
> 7. The Government is proceeding on the same theory of law in this case as it has advanced in briefs submitted in the criminal case. After a re-study of the facts it will advise defendants of its position as to applicability of the General Electric case decision, if any, to this case.
>
> • • • • • • •
>
> 9. Counsel agreed to confer immediately upon conclusion of a pre-trial hearing in the criminal case scheduled for October 15th, 1962, with reference to matters discussed at this hearing and particularly as to information to be submitted by the Government as covered by sub-sections . . . . 7 of this pre-trial order.
>
> Government counsel also advised the Court and opposing counsel of its position that facts in the instant case do not fall within the category of cases to which the doctrine expressed in the General Electric decision applies, and that the acts complained of in suit are illegal without application of that doctrine."

A criminal prosecution, based on charges which gave rise to the instant case, was then pending in this jurisdiction. The General Electric case to which reference is made above is *United States* v. *General Electric Co.*, 272 U.S. 476.

The "Pre-Trial Order" provided for adjournment of the pre-trial hearing to December 21, 1962.

On October 1, 1962 counsel were requested to report to the Court on October 15th, immediately after the criminal case pre-trial, to advise whether a trial date had been set

so that trial schedules could also be arranged in the instant case. Counsel appeared pursuant to such request. At that [fol. 1407] time Government counsel reported that plaintiff is not attempting to have the doctrine of the General Electric case overruled, its contention in this case being that the facts herein do not fall within that doctrine; that while such doctrine is still good law, it is inapplicable here because acts alleged in this suit are illegal without application of the General Electric doctrine. The Government agreed to state its position in writing by December 29. A letter, dated October 30, 1962, commenting on the Government's position, was received by the Court and copies were furnished to opposing counsel. A copy of such letter is attached hereto.

A memorandum of this "Report" to the Court was entered on the same day in a record of proceedings kept in the office file of this case by the law-clerk of this Court who was present on this occasion.

It is the recital of the events which occurred on October 15th which defendant's motion asks to be added to the "Pre-Trial Order".

This Court has authority to supplement the record at this stage of the proceedings in order that such record truly disclose what occurred in the trial Court. Rule 75 (h), *Federal Rules of Civil Procedure;* 7 Moore's *Federal Practice,* § 75.15 (1). The Government does not challenge such authority nor does it object to entry in the record of the proposed pre-trial orders in the form as originally drafted by the Court. It emphatically objects, however, to any change in one of the orders as requested by defendants in their motion.

During arguments on the motion counsel for both sides agreed that the Court may consider separately (1) the request in the motion for supplementation of the record by adding thereto the two (2) proposed pre-trial orders, and (2) the request for additional provisions in the proposed order entitled "Pre-Trial Order".

[fol. 1408] There being no objection to grant of the motion in respect to the first request, the motion will be granted, subject to disposition of the second phase of the motion as to whether the "Pre-Trial Order" should be

entered on the record as originally drafted or with the changes proposed by defendant.

With regard to this second phase of the motion, the Government contends that the "Pre-Trial Order" as originally drafted by the Court fully, adequately and completely states the Government's position as to applicability, if any, of the General Electric doctrine to this case; that if statements attributed to it were made, they were intended only to convey the information that the General Electric case was not expressly overruled; that the question whether the Government would attack that decision was not and could not be reached in this Court; that it is not a relevant question for this Court's consideration; and that the Government at no time intended to foreclose any future attempts to have such doctrine overruled.

Defendants, on the other hand, argue that their preparation for trial and trial of the case proceeded on the theory that no attempt would be made to in any manner question the doctrine but only to distinguish this case on facts from the General Electric case. Defendants intimate that, had the issue been injected into this case prior to trial, they may have presented their case differently.

This Court makes no attempt to add to the findings of fact and conclusions of law previously filed, by interpreting the meaning of the statements made by Government counsel on October 15th, determining whether any prejudice resulted to defendants by reason of such statements, or whether such statements preclude plaintiff from attacking the validity of the General Electric decision on appeal in this case. It is the considered opinion of this Court, however, that such statements, with a recitation of the circumstances under which they were made, should be found in the record of the case when it is being considered on appeal. The interests of justice will best be served [fol. 1409] if a full and complete record of all proceedings in the trial Court is available to the appellate court upon its review of the case.

Specifically, the second request in the motion is for

addition of the following provision at the end of subsection 7, paragraph 2, page 4 of the "Pre-Trial Order":

> "On October 15, reporting on the applicability of the General Electric case, the Government stated that it is not attempting to have the doctrine set in the General Electric case overruled and stated only that facts in this case do not fall within that doctrine; that the doctrine is still good law but does not apply as the actions in this case are illegal without application of the doctrine; and that it will write a letter by December 29, describing in what way the facts of this case differ from the facts of the General Electric case. A copy of the letter to the Court, dated October 30, 1962, from the Assistant Attorney General of the United States, Antitrust Division of the Department of Justice, is attached here to and made a part hereof."

The requested addition to the "Pre-Trial Order" correctly relates events which occurred on October 15, 1962.. The "Pre-Trial Order" which will be added to the record of this case, under the ruling of this Court on the first phase of defendants' motion, should be changed accordingly, prior to filing.

For reasons stated herein, defendants' motion to supplement will be Granted and the record of this case will be supplemented in the manner as prayed for in the motion.

An order will be entered in accordance with the views expressed in this memorandum.

/s/Thaddeus M. Machrowicz, U.S. District Judge.

Dated at Detroit, Michigan this 19th day of August, 1964.

[fol. 1410] UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C.

LL:LB:CRE
60-126-47

October 30, 1962.

Honorable Thaddeus M. Machrowicz,
United States District Judge,
United States District Court for
the Eastern District of Michigan,
Federal Building,
Detroit 26, Michigan.

Re: United States v. Huck Manufacturing Company, Inc. and Townsend Company—Civil Action No. 21791

Dear Judge Machrowicz:

In the course of the pretrial conference held in your chambers on October 15, 1962 in the above-captioned case, counsel for defendant Townsend Company requested that the Government provide a statement describing in what way the facts of this case differ from the facts of *United States* v. *General Electric*, 272 U.S. 476 (1926).

In *United States* v. *General Electric* the relevant issue dealt only with the question of the validity under the Sherman Act of the price-fixing clause in a patent license agreement between a patentee and its licensee. The narrow decision in that case was that under those circumstances the price-fixing clause was legal. In the Supreme Court's more recent interpretation of that rule in *United States* v. *Line Material Company*, 333 U.S. 287 (1947), the limited nature of that *General Electric* ruling was emphasized and as the Supreme Court said:

> On the assumption *where a conspiracy to restrain trade or any effort to monopolize is not involved*, a patentee may license another to make and vend the patented device with the provision that the licensee's sale price shall be fixed by the patentee. (304) [Emphasis supplied]

Applying this rule to the facts of the *Line Material* case the Supreme Court proceeded to strike down an arrange-
[fol. 1411] ment by which two patentees had cross-licensed

each other and which arrangement also authorized one to fix prices under both patents. The Court characterized such an agreement as establishing an "intention to restrain." (312)

> Even where the agreements to fix prices are limited to a small number of patentees we are of the opinion that it crosses barriers erected by the Sherman Act against the restraint of trade though restraint is by patentee and their licensees. *(Ibid.)*

Since the date of the Line Material decision it has been held that mere price fixing, even when not coupled with any other restraints of trade, is nevertheless unlawful when incorporated in a series of patent licenses with substantially all manufacturers in an industry, *United States* v. *New Wrinkle, Inc.*, 342 U.S. 371 (1952), and even when incorporated in patent licenses with a mere plurality of firms in an industry, *Newburgh Moire Co.* v. *Superior Moire Co.*, 237 F. 2d 283-84, (3rd Cir. 1956).

The acts of defendants in this action fall within the prohibited area outlined in the foregoing cases. The complaint in this case charges defendants with having gone beyond a mere price-fixing arrangement. It charges that they have combined price fixing with a secret understanding not to license others and with further agreements to cross-license and grant back all future developments in the lockbolt field as part of a conspiracy to restrain trade and monopolize.

Moreover, on June 29, 1962, Honorable Fred W. Kaess, United States District Judge in this court in a companion criminal action to this captioned case *(United States* v. *Huck Manufacturing Company et al.*, Criminal No. 39017), ruled that the facts asserted in the indictment in that case—which are substantially identical to the facts asserted in the civil complaint in this case—fell outside the *General Electric* doctrine. Specifically, Judge Kaess stated:

> . . . [T]he defendants move to dismiss the indictment for not stating facts sufficient to constitute an offense against the United States. They rely chiefly upon the leading case of *United States* v. *General Electric Co.*, 272 U.S. 476. There, indeed, a price restriction was

upheld, but it must be recognized that not all price-restrictive licenses are valid. *United States* v. *Line Material Co.*, 333 U.S. 287; *United States* v. *United States Gypsum Co.*, 333 U.S. 364. Necessarily, the courts will look beyond the price restriction itself and consider the circumstances surrounding the exploitation of the patent. Experience counsels such an approach, for [fol. 1412] an agreement innocent when considered separately may be part of a plan condemned by the Sherman Act. Thus, the holder of a patent may not do as he pleases with the power granted him under the Patent Act, 35 USC § 154, but is subject in its exercise to the principles of the Sherman Act. Cf. *American Tobacco Co.* v. *United States;* 147 F. 2d 93, aff'd. 328 U.S. 781. See Furth, Price-Restrictive patent Licenses Under the Sherman Act, 71 Harv. L. Rev. 815.

Accordingly, we submit that the facts of this case fall outside the facts and law of *United States* v. *General Electric,* supra.

Sincerely yours, Lee Loevinger, Assistant Attorney General Antitrust Division, By: Charles R. Esherick, Attorney, Department of Justice.

cc: Thomas W. Pomeroy, Jr., Esquire, 1130 Oliver Building, Pittsburgh 22, Pennsylvania. Arthur W. Dickey, Esquire, 7-141 General Motors Building, Detroit 2, Michigan.

[fol. 1413] [File endorsement omitted]

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION

Civil Action No. 21791

[Title omitted]

ORDER EXTENDING TIME—August 21, 1964

Upon motion of plaintiff-appellant United States of America, defendants-appellees consenting thereto, it is hereby ordered that the time for the appellant to docket this case on appeal and to file a jurisdictional statement in the Supreme Court of the United States shall be extended for a period of 30 days, i. e., until September 25, 1964.

Thaddeus M. Machrowicz, United States District Judge.

Dated: Aug 21, 1964.

[fol. 1414] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1964

No. 538

UNITED STATES, Appellant,

v.

HUCK MANUFACTURING COMPANY, ET AL.

Appeal from the United States District Court for the Eastern District of Michigan.

ORDER NOTING PROBABLE JURISDICTION—January 18, 1965

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

☆ U. S. GOVERNMENT PRINTING OFFICE: 1965 771185 788